

# **FY 2005 Annual Report Guidance**

September 30, 2004

## **MEMORANDUM FROM**

**BARBARA TURNER**

**Acting Assistant Administrator**

**Bureau for Policy and Program Coordination**

**J. EDWARD FOX**

**Assistant Administrator**

**Bureau for Legislative and Public Affairs**

We are pleased to transmit the attached Annual Report Guidance for Fiscal Year 2005. This marks the fourth year USAID will use the Annual Report to collect and analyze program and resource information for a variety of purposes, including the Congressional Budget Justification (CBJ), the Agency's Performance and Accountability Report (PAR), and our Annual Budget Submission (ABS). The Annual Report has become the Agency's primary program reporting document; it serves to streamline the data required for a number of budget and performance reporting requirements.

First and foremost, the Annual Report collects information for justifying and formulating our FY 2005, 2006 and 2007 budgets, respectively. As we enter FY 2005 and begin discussions on FY 2006 programs and budgets, it is an exciting, yet challenging, time for the Agency and foreign assistance in general. For example, U.S. involvement in Iraq and Afghanistan has provided an opportunity for USAID to demonstrate its ability to respond both quickly and adeptly to the changing reconstruction and stabilization needs of today's political climate. At the other end of the development continuum, USAID is finding common ground with the Millennium Challenge Corporation in assisting high-performing countries committed to significant political and economic reforms. As we await the outcome of the FY 2005 appropriations bill, we face a formidable challenge over these next two years in maintaining existing transformational development, fragile states, and humanitarian programs; carrying out important Presidential initiatives; and ensuring that there are sufficient resources for new challenges that arise.

In addition to budget data, the Annual Report also collects performance information that will be used to report Agency progress against our Agency Strategic Plan. In accordance with the Government Performance and Results Act (GPRA) of 1993, the Joint State/USAID Strategic Plan sets forth the priorities for both organizations in the coming years. The Plan supports the policy positions set forth by President Bush in the National Security Strategy and presents how the Department of State and USAID will implement U.S. foreign policy and development assistance.

As part of the Joint Strategic Plan (JSP), a framework has been designed to serve as the basis for both organizations' annual budget submissions and performance plans at the Agency, Bureau, and Mission levels. Information in this year's Annual Report addresses this framework. At the same time that USAID missions are preparing their Annual Reports, Embassies will be working on their FY 2007 Mission Performance Plans. It is therefore important for missions to coordinate closely with State counterparts to ensure consistency in the level of resources requested in the respective plans, as well as in the allocation of resources to strategic goals and objectives.

In addition to the JSP, the principles in the White Paper (formally titled "U.S. Foreign Aid: Meeting the Challenges of the Twenty-first Century") are being applied to programming and budgeting to improve aid effectiveness. The White Paper proposes five goals for U.S. foreign aid: promoting transformational development, strengthening fragile states, supporting strategic states,

meeting humanitarian needs, and addressing special concerns that include global and some transnational issues, for example, HIV/AIDS, family planning and global climate change. As noted below, for the FY 2006 budget submission, the Agency was able to better rationalize its program funding allocations on aid effectiveness grounds by applying some of the White Paper principles. We intend to deepen our analysis and use of these guiding principles using information from the Annual Reports for both reporting and for future budget proposals.

The Annual Report also contributes to USAID's management reform efforts. USAID has made considerable progress in addressing the President's Management Agenda (PMA). To date, USAID has received "green lights" for *progress* in Human Capital, Improved Financial Performance, Expanded E-Government, and Budget and Performance Integration. The Agency's progress score on Competitive Sourcing is "yellow." While USAID's *status* scores remain "red" in three of the five PMA areas, the Agency recently moved from "red" to "yellow" in Expanded E-Government and Budget and Performance Integration. USAID's progress on Performance and Budget Integration is directly attributable to our ability to utilize data from the Annual Report and other sources to showcase the Agency's progress.

Further, a component of the PMA initiative on Budget and Performance Integration, referred to as the Program Assessment Rating Tool (PART), has been used successfully by USAID to improve the Agency's effectiveness in strategic program planning and budgeting. Programs that have been evaluated include Population, Global Climate Change, P.L. 480 Title II Food Aid, LAC region programs funded by CSH and DA, Transition Initiatives, and OE and CIF funded management services. All USAID's PARTs have been rated as adequate or better. By the close of the FY 2004 PART cycle, USAID will have assessed nearly 60 percent of its programs.

Information gathered in the PART helps managers identify strengths and weaknesses of programs, and allocate resources appropriately to address them. USAID has taken a number of actions in response to PART findings, including increasing the use of common performance measures, improving the measurability of performance goals, and allocating funding more strategically, all of which flow from the data you submit in the Annual Report.

This year, elements of the Annual Report also will play a vital role in the new strategic management process currently under development. On May 26, 2004, the Administrator approved a set of recommended reforms emanating from the recently completed Business Model Review, including changes to streamline and make more relevant USAID's program planning policies. Interim Guidance for these new planning policies will be available not later than mid-October, but the principal recommendation of the new Agency planning policy divides the current Mission and Operating Unit Strategic Planning process into two parts. The first is a short, more general, Strategy Statement tailored to a country or program's designated White Paper operational goal. The second, which is the part relevant to this Annual Report guidance, is a three-year Operational Plan focused on program progress and implementation, including resource requirements. The Operational Plan is not a new stand-alone document. Rather, the Operational Plan is reflected in the Annual Report, through its various sections identifying planned use of funds over two years (the CBJ data sheets), overall country and program conditions (the cover memo and country overview), proposed program changes (the cover memo), progress to date (the SO performance narratives and indicator tables), and resource requirements (the various budget and workforce tables). The only

additional submission that reflects the new three-year Operational Plan is a requirement for a brief narrative explaining the proposed program for the third year, in this case FY 2007, which complements the already-required budget for FY 2007.

This Operational Plan would be updated annually through the Annual Report as one year drops off and a future year is added, e.g., this Annual Report contains the Operational Plan for FY 2005 – FY 2007. Next year's report will provide the operational plan for FY 2006 - FY 2008.

Also as a result of the Business Model Review, we are introducing the concept of “program components”. Your strategic objective will be composed of one or more of these standard components to facilitate Agency reporting. The list of standard program components is included in the Annual Report Application. The Agency will be developing common indicators for these program components over the next year for inclusion in the FY 2006 AR. We anticipate that there will be significant overlap with common indicators for the program components and those we are already collecting through the AR, but the extent of the overlap remains to be seen.

We continue to refine the Agency's “strategic resource allocation model” to provide a framework for the program, operating expenses, and workforce resource decisions this Agency makes, and to assess performance and budget integration under the PMA. For the FY 2006 budget request, we used White Paper principles to apply a corporate approach to strategic budgeting for the Development Assistance account, and introduced an expanded use of the Transition Initiatives account for fragile states in crisis. We used a two-step process that applied a uniform analysis to country performance around the world, and then added information on USAID program performance and recent events that significantly affected country performance. We also used an allocation model for some global issues. We intend to continue refining methods for implementing the White Paper principles in budget allocation and expanding the approach to all accounts and issues as we formulate the FY 2007 request.

We've worked hard to make the coding process easier to improve over the response we got last year. We must be able to provide Congress, the White House, and OMB with the information they need about our programs and we must do it in a way that minimizes ad hoc requests to the field each time the information is needed.

USAID/Washington has reduced the reporting burden on Global HIV/AIDS Initiative focus countries in this Annual Report, principally the requirement to report indicator data. Please be aware though that other reporting is unavoidable and is still required in this Annual Report. We have included an annex specifically for focus countries to aid you in this effort. Focus countries are also encouraged to re-use information they may already have written.

Unfortunately, the budget levels for FY 2005 will not be available until FY 2005 legislation is enacted. We are cautiously optimistic that the Agency will receive the FY 2006 passback in November 2004, resulting in FY 2006 levels shortly thereafter. As soon as FY 2005 and/or FY 2006 levels are known, we will share them with you and provide further guidance.

Given these uncertainties, it is nonetheless critical that you submit your Annual Reports by December 17, 2004 to allow for preparation of our FY 2006 CBJ. Our ability to accurately reflect

your relative needs will depend very much upon your ability to provide accurate, timely, and measurable performance and budget information.

Thank you for your assistance in this important and valuable exercise.

Point of Contact: Any questions concerning this memorandum or the guidance may be directed to Parrie Henderson in PPC/SPP at 202-712-5672.

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**FY 2005 Annual Report Guidance**  
**September 30, 2004**

**Introduction**

This message provides detailed guidance to USAID Operating Units on the preparation of their FY 2005 Annual Report (AR). This report encompasses six fiscal years of data as follows:

Your AR Contents	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Actual Budget Data		•				
Control Budget Data			•			
Request Budget Data				•	•	
Planning Information			•	•	•	
Performance Reporting		•				
Coding	•	•	•	•		
Workforce Planning		•	•	•	•	•

This year, submission of the Annual Report will be facilitated by the use of internet transmission. Thus we will have the ability to ask for FY07 sections of the AR at the time data/budgets become available. Once the CBJ controls have been determined, bureaus will notify Operating Units when the FY 2007 request should be submitted; all other sections of the AR are due December 17<sup>th</sup>, 2004.

The information your Operating Unit will be reporting is used to construct the Agency's Congressional Budget Justification (CBJ), Bureau Program and Budget Submissions (BPBS), the Agency Budget Submission (ABS) to OMB, OMB's Program Assessment Rating Tool (PART), Annual Performance Budget, the Performance and Accountability Report (PAR), and the Inspector General's reports, and it will serve as your three-year operational plan. Please understand that USAID has no control over when it receives its passback figures from OMB, nor does it have control over the deadline for submission of the CBJ. Both events impact the budget scenario, and USAID/W is aware that this makes completion of the AR by your Operating Unit more difficult.

Many of the changes that we are making this year are to respond to feedback from the missions in the field and from Washington. Please see [Supplemental Reference](#) 12 on page 20 for an after-action review of the FY 2004 Annual Report.

This year's process, in contrast to last year's:

- Is executed via a process called web services, allowing greater facility of submission.
- Incorporates some changes in accordance with the findings of the Business Model Review (BMR). For example, the AR will begin to function as a rolling strategic planning document.
- Introduces the concept of "program components" in response to the findings of the BMR. Congressional notifications will still take place at the Strategic Objective level.
- Includes new indicators in the Performance Measures table and requires targets for measures.

- Includes the Agency’s annual call for data on minority serving institutions (MSIs) and GDA.
- Is organized by SO vs. Operating Unit level information rather than by CBJ vs. “all else,” but each section is clearly labeled as to where it will go.
- Includes a new process for certifying SO linkages to the Performance Goals of the Joint State/USAID Strategic Plan.
- Collects the minimum information necessary for the Global HIV/AIDS focus countries.
- Includes [Guidance Annex X](#) for reporting requirements specific to Global HIV/AIDS Initiative Focus Countries (page 40).
- Changes the location of where new SOs are added: from the U.S. Financing Table to the new SO Profile table.

This guidance is divided into two sections: the narrative sections and the annexes.

Each narrative section gives Operating Unit management the broad overview and rationale for the information required. It does not provide the detailed guidance for completing the requirements. The annexes provide the details to prepare the individual sections of the Annual Report.

## **I. Narratives**

In the past, the Annual Report application was artificially organized along the lines of the CBJ vs. “All Else.” This was an awkward construction that resulted in missed information. Since the Annual Report is not one fluid document, but a series of data cells that can be reorganized into any needed format, we have reorganized this guidance and the application along the division of “Operating Unit level reporting” and “SO level reporting.” As long as Operating Units carefully follow the guidance for each section, we believe we will still get the information we need for all of our Agency reporting. More importantly, we hope that the new format facilitates completion of your Annual Report.

### ***A. Operating Unit Reporting***

#### ***1. Operating Unit Cover Memo***

A cover memorandum prepared by the head of the Operating Unit and addressed to the Assistant Administrator of his/her Bureau is required. Limit the Cover Memo to no more than three pages. The Cover Memo is now part of your Operating Unit’s Operational Plan per the conclusion of the Business Model Review and the Strategic Management - Interim Guidance on strategic planning (see [Supplemental Reference](#) 14 on page 20).

The Cover Memo is not intended for distribution outside the Agency and will not be posted on the Agency’s website. It will be distributed to USAID employees and sent to the Development Experience Clearinghouse for archiving. Classified material should only be reported via classified cable.



The cover memo should address critical issues or changing circumstances that may alter the management agreement (ADS 201.3.10). The memo should include the following in discrete sections: (1) proposed changes to the strategic plan if any (If there are none, so state.) (2) minor changes to the strategic plan made during the FY at the discretion of the Operating Unit (3) major resource issues (i.e. program funding, OE, staffing), (4) the list of SOs that the Operating Unit will be notifying this year in the CBJ (See [Guidance Annex I](#), page 25 for the limitations on using the CBJ for notification); (5) a list of evaluations undertaken in the past year and those scheduled in the coming year; and (6) what efforts are being made to identify new local and U.S. partners, especially non-traditional USAID partners. The memo should also include, as appropriate, changes in country commitment that would justify Washington consultations or a change in the strategic plan. See ADS 201.3.11 for information on when consultation with Washington is required prior to making changes in an approved strategic plan.

## **2. *Operating Unit Country Overview for the Congressional Budget Justification***

For assistance in completing the CBJ portions of the Annual Report, see the sample CBJ submission for “Freedoni” on the internal website at <http://CDIE.USAID.gov/ar> or on the external web site at <http://www.dec.org/partners/ar>. Global HIV/AIDS focus countries please see [Guidance Annex X](#) on page 40. This Country Overview is now part of your Operating Unit’s Operational Plan per the conclusion of the Business Model Review and the Strategic Management – Interim Guidance (see [Supplemental Reference](#) 14 on page 20). For pillar bureau Operating Units, this is your Program Overview.

USAID is moving forward to implement “U.S. Foreign Aid: Meeting the Challenges of the 21st Century (hereinafter referred to as the White Paper) as Agency policy. The Agency Program Highlights narrative in the FY 2005 Congressional Budget Presentation introduced the five operational goals in the White Paper. The FY 2006 Congressional Budget Presentation may include some discussion of performance according to operational goals, but it is in the presentation of the budget that the innovations stimulated by the White Paper will be most notable. Analyzing the budget request using the principles in the White Paper enabled us to propose a budget that increases the effectiveness of our assistance. The most noticeable changes are a performance-based approach to the allocation of Development Assistance funds, and an expanded use of the Transition Initiatives account for fragile states in crisis. In addition, the strategic budgeting model was applied to family planning funding as a global issue.

The Country Overview will be used for the country-specific sections of the Congressional Budget Justification and therefore should be written for a broader audience that may not be familiar with the country. However, do not describe generic facts about that country (e.g. “Freedoni is a landlocked nation in central Middle Earth...”).

The Country Overview section consists of the following narrative sections, all of which are required:

a) The Development Challenge: Identify key challenges by briefly describing the political, economic, and social context of the country. It may be useful to cite health and literacy statistics, debt burdens, factors that may impede economic growth in general, the legitimacy and

effectiveness of governance, country performance based on the MCA criteria of ruling justly, investing in people, and economic freedom, or program success in particular. Field missions should emphasize U.S. national interests and USAID contributions to USG policy priorities as well as political will and the quality of host country partnership.

b) The USAID Program: This section should summarize the principal objectives of the Operating Unit's program. In particular, explain how the program is structured to address the development challenge described above. Briefly characterize the involvement and capacity of the government the private sector, and other nongovernmental institutions. Highlight those areas that address specific Congressional interests as they pertain to your program. Contact your Washington Program Office or see Section III for information on what interests pertain to your program.

c) Other Program Elements: Field missions should identify/describe other significant programs active in the country that are managed by the pillar bureaus, regional missions, and regional bureaus but not funded or managed by the mission submitting the Annual Report. This information will provide a complete picture of USAID assistance in a country. Missions should use the database on Activities Not Managed in Country to help with this effort ([http://cdie.usaid.gov/pmdb/npc\\_form.cfm](http://cdie.usaid.gov/pmdb/npc_form.cfm)). In cases where there are many such activities, missions should summarize them by pillar. It is not necessary to describe each individual activity. Submission of this information does not constitute congressional notification of these programs. That notification will be provided separately by the managing bureau.

d) Other Donors: In this section, identify the key interest areas of other bilateral and multilateral donors. Identify donor rankings relative to resource levels (i.e., first, second, third, etc. without identifying specific dollar amounts.) Identify areas of joint effort and/or coordination with USAID.

### **3. *Operating Unit Program Performance Summary***

In preparing this section, please refer to the Freedomi example "Performance and Budget Narrative for 'Freedomi'" on the internal website at <http://CDIE.USAID.gov/ar> and on the external website at <http://www.dec.org/partners/ar>. This Program Performance Summary is now part of your Operating Unit's Operational Plan per the conclusion of the Business Model Review and the Strategic Management – Interim Guidance (see [Supplemental Reference](#) 14 on page 20). Both sections below are required.

a) Program Narrative (FY 2004). Limit this section to two to four pages. The Program Narrative is the principal source of information for the public about the Agency's country and regional programs. The Program Narrative will be posted on the Agency's external website<sup>1</sup>. The Program Narrative also provides information for the documents the Agency must prepare for government wide reporting, including the Annual Performance Plan (APR) and Performance Accountability Report (PAR), the Office of Management and Budget (OMB) Performance Assessment Rating Tool, etc. In this section, submit ONLY unclassified, non-sensitive information that can be shared with the public. [Guidance Annex II](#) contains the Program Performance Summary Checklist (page

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<sup>1</sup> Between July of 2003 and July of 2004, the external website received about 9000 hits for the Program Narrative information.

27), which provides information that may be included in this section where appropriate. In describing its program, each Operating Unit should also report on cross-cutting activities in areas of special interest to the Agency, such as gender mainstreaming, anti-corruption, and conflict-sensitive programming. If your Operating Unit has its own website, please include the web address at the end, in a format such as, “For more information, please go to the following web address, ...”

b) Environmental Compliance. Limit this section to one page or less. This section will not be posted on the external website. Mandatory contents for this section are contained in [Guidance Annex III](#) on page 28.

#### **4. *Operating Unit FY 2006/2007 Resource Request Narrative.***

This section of the Annual Report initiates the Agency’s budget formulation process for the FY 2007 budget cycle. Your bureau will notify you when to submit this FY 2007 request, which will be submitted in conjunction with the MPP process and must be coordinated with your embassy.

This section should be from two to five pages. This section will not be posted on the external website, but will be made available to USAID personnel on the intranet. Sharing of information contained in this section outside the Agency constitutes a violation of OMB Circular A-11. This Resource Request now also contributes to your Operating Unit’s Operational Plan per the conclusion of the Business Model Review and Interim Strategic Planning Guidance. Please see [Guidance Annex VI](#): Resource Request Checklist on page 32 for additional assistance with the sections below.

a) Rationale and Justification: The basic rationale and justification for your budget request are in your approved strategic plan. However, the Business Model Review concluded that external factors often drive a country program far from the approved strategy. Thus, in this section you should indicate what changes have occurred since your strategic plan was approved, such as: your program is subject to earmarks, directives or initiatives; you are pursuing an un-anticipated public-private alliances; you are in an MCA eligible country or an MCA threshold country; you have been designated a Global HIV/AIDS Initiative Focus Country; or new activities are being undertaken in response to a conflict vulnerability assessment.

b) Pipeline. Explain any inconsistencies between actual pipeline levels and Agency forward funding policy presented in ADS Chapter 602. Describe corrective actions being taken, exceptions to the forward funding policy being requested by the Operating Unit, and how pipeline levels projected through the planning period will be consistent with the forward funding policy.

c) Decommitments. Deobligations and Decommitments (MACS terminology for "de-subobligations"). Unliquidated obligations must be monitored to ensure that balances are deobligated when no longer needed for the purposes for which they were initially obligated. Provide a statement on how your Operating Units will handle deobligations as well as decommitments from contracts and grants under a SOAG.

d) OE and Workforce. Provide a narrative justification for all resource requirements for OE and Workforce for FY 2007. Identify cost increases that are uncontrollable regardless of program

changes. This will provide a basis for justifying increases in support budget levels to the Department of State, OMB and Congress. Discuss significant deviations from your workforce template ceiling and OE controls.

We recognize that OE has not kept pace with inflation, security, and staffing needs, and we will continue to request additional funding. However, we must plan on an overall budget that is straight-lined in real terms. To the extent possible, prioritize the OE and workforce requests.

e) Program Funded Personnel and Support. Please provide a narrative description of your anticipated use of program-funded staff, including the Foreign Service limited appointments, from FY 2004 (already passed) through FY 2007.

f) Management Assessments. Report on actions taken to implement recommendations from any management assessments that have been conducted.

## ***5. Operating Unit Performance Measures Table***

All Operating Units must complete the “Performance Measures” table. Completion of this table will provide information that fulfills the Agency's Government Performance and Results Act (GPRA) reporting requirements. The information will be used in the Performance and Accountability Report, to measure progress on the new joint State/USAID Strategic Plan, and to provide information to use in the OMB PART. New indicators have been added to some performance goals. Operating Units with programs to which these new indicators apply have a one-year grace period before being required to report if they are not organized to collect this new data. All Operating Units, however, are required to answer all “yes/no” questions. For measures that you do report on now, or can report on in the future, you must also enter targets for '05 and '06 at this time. At the time that your 2007 resource request is due you will also be asked to supply '07 targets for these performance measures on the grounds that these are the results you intend to achieve with the resources you are requesting. These targets are important because they will be used in the Joint Performance Plan.

Additional information on Performance Measures is included in [Guidance Annex VII](#) on page 34. Global HIV/AIDS Initiative focus countries see additional guidance in [Annex X](#) on page 40.

## **B. Strategic Objective Level Narrative**

### ***1. Strategic Objective Profile Table***

This table is new for this year's Annual Report. It is designed to collect information about an SO in one place, and it will be used to populate other portions of the application. In this table you will be able to add SOs (please note this feature is being removed from the “U.S. Financing Table.”), perform several other linkages, and certify your SOs.

In this table are the required linkages to the Performance Goals of the Joint State/USAID Strategic Plan. For each SO against which you expended funds in FY 2004 and beyond, please select the performance goal that best links to your SO. Two additional categories have been added to the Performance Goal link: “Cross-cutting” (entries here are *limited* to Program Support objectives, PD&L objectives, and certain types of special initiatives *only*), and “Erroneous Entry” (for SOs that, for example, were mistakenly entered and should probably be deleted from the system). These linkages are critical for compiling the Agency’s statement of net costs required by law. Thus, once you have finished linking your SOs, the Annual Report application contains a certification feature. When all the Operating Unit’s SOs are ready for certification, the designated user will select the option that it is “ready to certify.” The application will then generate a list of the mission’s SOs as a Word document in a certification report, “Certification of SOs to Agency Performance Goal Linkages,” which will include the SO number, SO name, performance goal title, date of initial obligation, certification statement (“I certify that the listed SOs are properly linked to Agency performance goals”), and date of certification. Bradford Green, PPC/SPP must have a file version of this attachment and a signature. Where missions can generate pdf files, the same document can serve as both; missions that can not generate pdf documents can send signed copies either as faxes or via post. Mission directors will send the file version of the certification to Bradford Greene, PPC/SPP, as an e-mail attachment from his/her own computer. When the Operating Unit’s e-mail certification is received, an entry will be made in the Annual Report application that the certification has been received in PPC [This guidance overrides ADS 201.3.7.1]. This certification is required to satisfy audit recommendation 1 of Report #0-000-04-001-C, November 14, 2003.

Resources (program, OE, workforce) within an SO will be linked to the one primary performance goal through the link you establish here. Therefore, when you prepare your resource request budget tables, it is imperative that you consult with the embassy to ensure that the appropriate link has been chosen in this section. However, we are allowing Operating Units to select a secondary linkage this year, to better explain program impact.

For new SOs for which there may be no performance data, select “new in FY ‘04” (defined as first obligation in FY 2004) or “new in FY ’05-‘06” from the drop down box so that we know not to expect past performance data (but, to the extent possible, please complete the SO indicator table (see section I.B.6 below) with baselines and targets for these new SOs). If you have a program support objective (which also has limited reporting requirements per ADS 201.3) please select that option from the drop-down menu. If in the final years of expenditure, please select “final year of expenditure in ‘FY 04” or “final year of expenditure in FY ‘05”

## ***2. Strategic Objective 2004 Performance***

In this section, Operating Units will discuss the performance of the Strategic Objective, in terms of results achieved, host-country commitment, strategic planning, and implementation deficiencies. This information will be used for Agency decision-making on programs and resources and will be included in Bureau- and Agency-level reporting documents (BPBS, the APP, the PAR, and the OMB Performance Assessment Rating Tool.). Limit the section **to two to four pages per SO**. This section will not be posted on the Agency external web page. Operating Units are encouraged to provide unclassified, but candid, detail on their SOs.

This section is required.

This year, per the guidance from the Business Model Review, you must also categorize your SO activities according to the list of standard program components. As part of our new global branding, we will also use these Program Components as the basis for developing a list of official Agency Products and Services or standard Areas of Expertise. The goal is to use consistent terminology, so the Agency can speak with one voice about the work we do. As this will be for external audiences not familiar with USAID or development, some of the terms may be altered to ensure understanding. Using clear and common language is a core component of developing a common brand.

Therefore, after providing a brief overview of the SO, you will choose program components from a drop down list provided in the AR Application that best fit your SO. Discuss each program component in detail utilizing, where relevant, the [Guidance Annex V](#) on page 31 that contains a checklist of elements that should be included in an SO narrative discussion. For SOs that link to the “cross-cutting” performance goal no program components will be required.

Dividing the SO into program components may make it difficult to talk about program integration and crosscutting themes. To the extent possible, discuss program synergies, cross-cutting themes, and integration in the SO overview and in the Operating Unit’s Program Performance Summary (section I.A.3 above).

In addition to discussing the topics found in the checklist, discuss SO progress on meeting targets for the indicators you included in the indicators table (see Section B. 3, below). You may be challenged in placing the discussion of your indicator performance within a program component, but do the best you can. Discussing an indicator within any component does not permanently tie it to that component. If the SO did not meet the targets presented in the SO indicator table, Operating Units *must* describe the management and/or budgetary steps they are taking to address this situation. If the assessment shows that the SO consistently fell short or consistently exceeded targets, state what steps are being taken to address this situation. In cases where the target failed to be met, the discussion should address the specific causes of failure, and not give generic statements, such as ‘the targets were overly-ambitious.’ Likewise, an explanation should be supplied for those indicators which have greatly exceeded their targets for two or more consecutive years. An explanation should indicate either the reason that targets have not been adjusted or the reason it is not possible to adjust them. If poor performing grantees/contractors were involved in this assessment, indicate what is being done (without naming the implementer). Operating Units should indicate how this year’s assessment compares with prior years. Candor is essential.

In cases where an “old” SO is still expending funds, or where an SO has been replaced by a “new” SO in the same sector, Operating Units must still report on the old SO but may do so in an abbreviated fashion. Operating Units must report on Presidential Initiatives under the appropriate Strategic Objective and clearly indicate the results achieved.

### ***3. Strategic Objective Indicators***



This section is required but will not be posted on the external web site. Operating Units must complete an indicator table for each SO for which it is still expending funds. The indicators in the table **must** be the indicators that the mission selected in January 2004 and against which performance was to be measured. (An e-mail was sent from PPC on Friday, January 09, 2004 at 12:17 PM EST reminding Operating Units to set written targets for all indicators that would be used to determine whether each SO exceeded, met, or did not meet its targets [ADS 203.3.8.2.b]).

These indicators are not the same as the indicators found in the “Operating Unit Performance Measures Table” (Section A.5).

If the indicators presented demonstrate that, overall, the SO failed to achieve its objectives, as noted above, the OU must include a discussion in its SO narrative section explaining the relationship between the indicators and the objective and what will be done to overcome the difficulties in the future.

For new SOs for which there may be no performance data (first obligation in FY 2004 or FY 2005), please enter the indicators you will use in the future to measure SO performance, and the corresponding baselines and targets.

Please see [Guidance Annex IV](#) on page 28 for further instructions on how the indicator table should be filled out and the Freedomi SO performance narrative for examples.

#### ***4. Strategic Objective 2005/2006 Data Sheets for CBJ***

Please submit one Data Sheet of not more than two pages for each SO for which you plan to obligate resources in FY 2005 or FY 2006. Do not submit a Data Sheet for SOs for which you are not requesting any funds. This Data Sheet now also contributes to your Operating Unit’s Operational Plan per the conclusion of the Business Model Review and Interim Strategic Planning guidance. Subsection headings are as follows and all are required:

1. Header: The header contains the following information: USAID Mission (or Program); Program Title (short, user-friendly name); Pillar; Strategic Objective number; Status; Planned FY 2005 Obligation; Prior Year Unobligated; Proposed FY 2006 Obligation; Year of Initial Obligation (show starting FY), and Estimated Year of Final Obligation (show FY of last expected obligation). The headers of the CBJ Data Sheets are contained in the Annual Report application and will be prepopulated for SOs that appeared in last year’s submission. For questions on SO numbers, please contact the person designated by your Bureau.

2. Summary: Describe the main program components under each SO (See [Freedomi](#) example of format).

3. Inputs, Outputs and Activities: Operating Units should distinguish between the FY 2005 and FY 2006 programs. While the description of the FY 2006 program may indicate a degree of remaining uncertainty about precise implementation plans (e.g., by saying that funds are “to be used” or “may be used,” or that USAID “plans to use,” etc.), the description of the FY 2005 program should

include unambiguous statements of how the funds “will” be used. Emergency programs may have to use uncertain language for both years.

Within each fiscal year, describe your program by the program component area of assistance. Unlike last year when you described “functional areas,” program components are standardized across the agency and you must select from a menu contained in the “Help” menu in the application. For each area, please add the approximate amount of funds you intend to devote to that program component by fund account.

Development Credit Authority (DCA) references can be included in the CBJ (this is a change from last year). The account will not be broken out in the tables if funds have not yet been transferred, but the text can include statements such as “USAID anticipates transferring \$x,000 to DCA to...” Barring special provisions of the law (see [Guidance Annex I](#), p. 25), further notification would not be required if such references are included here. This will result in significant time savings as you proceed to obligate funds for your DCA activities.

If you have stated prior year unobligated amounts in your header and can break out where they will be used by program component, please do so. If these carryover funds are being used for the same purpose previously notified as their intended use, mention of this use here merely provides a fuller explanation of how you plan to use the funds in your header. It is not a renotification. If instead, the planned use of carry over funds differs from the use intended when they were last notified, this CBJ does serve as a renotification and the affected SO should show as one being renotified in the CBJ.

For each program component, please describe in terms understandable by the general public how the funds being requested will be spent, (i.e., five training courses) and the immediate impact to be achieved with these resources (e.g. we expect to train over 100 judges in court administration). Do not use general statements such as, “USAID/Freedomi will provide *support* to NGOs.” Tell us what *kind* of support. Although P.L. 480 resources are not included in the financial tables, please discuss P.L. 480 inputs, outputs, and activities and a brief description of the contribution and effectiveness of these resources to achievement of the objective and to enhanced food security in the country. Do not include P.L. 480 budget figures in the text.

If this is an ongoing program, list the principal contractors and grantees and their major subcontractors or subgrantees, by program component. Distinguish clearly which are primes and which are subs. Note: If there are many contractors/grantees/subcontractors/subgrantees, list the principal implementers (you need not list all of them). If the same primes and subs are used in all program components, simply state that they are the same for each component.

These Data Sheets constitute formal Congressional Notification of USAID’s intent to obligate FY 2006 resources for the activities and purposes described therein unless the Congress otherwise requires separate notification. The CBJ thus becomes the basis for all future notifications. As agreed with the Appropriations Committees, FY 2005 funding levels published in the FY 2005 CBJ continue to serve as notifications for ongoing programs, unless there has been a modification that would require renotification in this year’s FY 2006 CBJ. If there have been such changes, please describe them here in a manner that clearly states what is different.



If a program received supplemental funds in FY 2004 and FY 2005, corresponding narratives should be mentioned in the Data Sheet. Also, Missions could mention supplemental funding received in FY 2003 when such funds have enabled the start-up of a specific activity and when FY 2005 New Obligating Authority (NOA) funding will continue for this activity.

**4. Performance and Results:** In no more than one short paragraph (you have provided detailed performance information in Section B.2 above), highlight USAID progress to date toward the principal results to be achieved through this program. Then, excluding emergency programs, describe what end-state can we expect with successful completion of this SO? If this is a follow-on SO, summary performance information on the old SO may be stated here.

### ***5. Strategic Objective 2007 Planning – Operational Plan***

On May 26, 2004, the Administrator approved a set of recommended reforms emanating from the recently completed Business Model Review including changes to USAID's program planning policies. The principal recommendation of the new Agency planning policy divides the current Mission and Operating Unit Strategic Planning process into two parts: a short, more general, Strategy Statement tailored to a country or program's primary (White Paper) operational goal, and, the part relevant to this Annual Report guidance, a three-year Operational Plan focused on program progress and implementation, including resource requirements. The Operational Plan is not a new stand-alone document. Rather, the Operational Plan is reflected in the Annual Report, with its various sections identifying planned use of funds over two years (the CBJ data sheets), overall country and program conditions (the cover memo and country overview), proposed program changes (the cover memo), progress to date (the SO performance narratives and indicator tables) and resource requirements (the various budget and workforce tables). The only addition to the Annual Report submission being requested to reflect the requirement for a three-year plan is a requirement for a brief narrative explaining the proposed program for the third year, in this case FY 2007, which complements the already required budget for FY 2007. This should be two to four pages.

This Operational Plan would be updated annually through the annual report as one year drops off and a future year is added, e.g., this annual report contains the Operational Plan for FY 2005 – FY 2007. Next year's report will provide the operational plan for FY 2006 - FY 2008.

Please describe the FY 2007 program for which you are requesting resources. Organize the description by program component and include illustrative activities you plan to undertake. A drop-down menu of the Agency program components is available in the AR application. If you plan to revise an SO by adding new components or make major modifications within a component, explain how that decision is responsive to changing circumstances within the country, or changing priorities from Washington, and if applicable, specify what may be reduced or eliminated. For the activities you've proposed in each program component, please state the immediate impact to be achieved (e.g., we expect to train over 100 judges in court administration), and the longer-term results expected.

If you described in your cover memo the efforts being made to identify new local and U.S. partners, especially non-traditional USAID partners, please discuss here how non-traditional

partners will be integrated into the Mission's Operational Plan. The Agency increasingly sees public-private alliances, faith-based partners, and Diaspora as a critical way for USAID to expand development success with declining resources and promote collaboration rather than duplication and inconsistencies.

## ***6. Strategic and Special Objective Close Out Report.***

USAID must have information on what has been accomplished over the life of an SO, specifically what is now different as a result of USAID's efforts relative to what we had intended to achieve. Where the SO is no longer being implemented, Operating Units **MUST** prepare a "close out" report, per the guidance in ADS 203.3.11. Generally, these reports are done as part of the Annual Report. If it is not possible for you to include the close out report in this year's Annual Report, then Operating Units must state in their cover memos when the close out report will be submitted. Work with your Washington program office to set this date.

## ***7. Strategic Objective Results Frameworks***

As discussed in ADS 201.3.11.3, Operating Units have the option in certain circumstances to alter Results Frameworks without consultation with USAID/Washington, but must indicate where these changes were made. To keep records current in Washington, Operating Units must provide their revised results frameworks. The Results Frameworks should include the SO statement, SO-level performance indicators, and intermediate results statements.

# ***II. Resource Tables***

There are 11 basic data tables required for program, operating, and workforce expenses, a table for Global Climate Change countries, public-private alliances, and minority serving institutions. All budget data is in \$1000's U.S.

We anticipate that multiple transmissions of the database will be necessary to capture all data for the budget cycle. Initial budget data for the CBJ (FY 2004 through FY 2006) will be due by December 17<sup>th</sup>. Once the control numbers for FYs 2005 and 2006 have been determined, your bureau will provide these levels to you and the budget data can be revised and retransmitted. Your bureau will notify you when to submit your FY 2007 request data, but it will be submitted in conjunction with the MPP process and must be coordinated with your embassy.

For the MPP, State Department requires that all country team members supply an additional out-year of budget and workforce data. However, we are not including an FY 2008 table for this purpose. If you need to prepare FY 2008 projections for your MPP, consult your bureau regarding the levels to use.

For definitions of budget categories (e.g. obligations v. appropriations) requested in the following tables, please see [Supplemental References](#) on page 20 or refer to the glossary of budget terms provided in the application.

A. U.S. Financing. The U.S. Financing table is the only table that requests obligation and expenditure data instead of appropriations data. It appears with each Data Sheet in the CBJ. Operating Units are requested to fill out the portions reflecting actual obligations and expenditures before completing any other table, as information here will feed into the SO Appropriations Table. Bottom portions of the U.S. Financing Table, in turn, will be filled in automatically from the SO Appropriations Table.

B. SO Appropriations (Program Request by SO). This section breaks out each SO by the Agency's pillar/sector areas. These tables must be filled out for each of FYs 2005 to 2007 (FY 2004 data will be pre-populated with what we have in the current database. **Operating units are responsible for updating these levels to reflect their final FY 2004 control levels**). All tables should reflect either appropriation levels or request levels; do not include obligations data here. Separate years and accounts are generated using drop-down menus. For the out-years, please use the FY 2006 control and FY 2007 request tables for your main data entry. Instructions for use of alternate tables varies by bureau; please see bureau specific guidance for details.

End-of-FY pipeline data is calculated as starting-year pipeline plus carry-over plus new appropriations less estimated SO expenditures. End-of-FY pipeline for one year will then become the starting year pipeline for the next FY. Given Agency and OMB interest in pipeline oversight, and to address ADS 602, particularly sections 602.3.6 and 602.3.7 on program management as applied to proposed funding levels, it is critical that Operating Units adjust SO expenditures based on any adjustments made to the appropriation levels.

When Operating Units request program funds for each SO, the level requested should include estimated/anticipated program funded ICASS costs. Regional Bureaus are also reminded to request funds accordingly when preparing regional SO submissions where annual program ICASS requirements are not met through bilateral programs.

Supplemental Appropriations. Operating Units receiving supplemental appropriations need to complete an additional sub-table to account for those funds. Access this sub-table through the "Supplemental Appropriations" button on top of the main SO Appropriations screen. For each SO that received supplemental funding, specify the name of the supplemental and the amount. Note that doing this does not affect the entries on the main screen; the supplemental table merely records the portion of the total appropriation for a given SO that was derived from one or more supplemental.

In completing the pillar/sector breakouts for each appropriation, please ensure that your earmarks and directives are appropriately entered. PPC uses this information to track whether earmarks and directives are being met. Attributions to items such as GCC, microenterprise, water (including drinking water), etc. should tie back to your commitments in the FY 2004 AR last winter and the FY 2006 BPBS process earlier this spring and mirror other reports that the field may have sent to PPC, through OPIN, etc.

C. Emphasis Area Codes (a.k.a. Coding). Coding is the Agency's effort to attribute dollars to particular efforts for the purpose of providing information to interested parties. Primary and secondary emphasis coding will be collected for FY 2004 - 2006. For the December 17 submission

only 2004 coding is required. After the 2004 coding has been reviewed and the 653(a) for 2005 has been submitted, instructions will be provided for completing the coding for 2005 and 2006.

On the primary coding tab, the values entered for each sub-sector will appear, together with the primary codes associated with that sub-sector. Last year the system required primary coding to be completed as sub-sector levels were changed. Realizing that coding is often performed as a later step, typically with the help of technical personnel, it is no longer necessary to complete primary coding whenever a sub-sector level is changed. Once these levels are set, you should consult with technical staff to determine the coding levels and enter them at that point. Note that in separating the setting of sub-sector levels and primary code values we are not relaxing the coding requirement. At any point you can determine which sub-sector levels have inconsistent primary coding by clicking the “Check Codes” button on the main SO Appropriation screen. After pressing “Check Primary Codes” the fiscal years and appropriations whose codes need to be revisited will appear in red. Additionally, a check will be performed to highlight incomplete coding before the database is submitted to Washington. Entries in the primary code can not exceed 100%.

The secondary codes are entered in a similar manner. However, dollars may be assigned more than one secondary code and entries may add to more than 100% of the total for a given SO. Although it may be possible to select many secondary codes, please select only those codes that are the most representative of the program.

Compliance on secondary coding was very disappointing last year. As a result, we are unable to provide Congress, the White House, and OMB with the information they need about our programs and the lack of data requires ad hoc requests to the field each time the information is needed. Technical staff in the mission, who best understand their programs, must work with the Washington pillar bureau and PPC staff, who best know the levels the Agency is working against, to come up with realistic budget attributions and then enter that data into the application or convey it to the individual who is entering the information into the application. See the Coding Definitions and Contacts in [Supplemental References](#) 11 on page 19 for a list of codes and definitions.

**D. Workforce Planning.** USDH and non-USDH Staffing Requirements. This section covers all categories of personnel that are reported in e-World. Indicate the actual level for the end of FY 2004 and the request level for FY 2005 -2008. These data are essential for the Agency to do adequate workforce planning which includes designing the Foreign Service recruitment plan so that it meets the Agency’s future needs. For requested levels, it is crucial that each operating unit consider the work that needs to be done and the skills needed to do it, rather than the backstops or employment categories (e.g. USDH, FSNPSC, USPSC, etc) of the employees currently on board.. In other words, the staff requirements that you report for FY 2005 – FY 2008 request levels must reflect the “to be” mission, not the “as is” mission.

Changes to get to the “To Be” organization include the mix and the numbers of employees by Backstop and by employment mechanism. For example, if you need to convert positions currently designated as **USPSC, TAAC or RSSA/PASA** etc to USDH due to the nature of the work, then report them as USDH for the out years (FY 2005 on or whenever you think the conversions should

happen). Discuss these changes in your narrative giving the number and type of positions you believe should be converted to USDH and why.

*USDH Staffing Requirements:* Show the USDH in each occupational backstop as of the end of FY 2004 - FY 2008. Requested levels, FY 2005 – FY 2008, must reflect the Mission’s “to be” organization and not the status quo.

- For FY2005-FY2008, the requests should match the position requirements for the Operating Unit’s Strategic Plan without regard to the backstop of the current incumbent.
- GDO positions should be listed under the backstop that reflects the primary discipline of the position, e.g., BS-50, BS-40. Only Democracy and Governance positions should be reported as BS-12.
- RUDO positions were converted to BS- 40.
- For the Foreign Service Limited special program that began in FY 2004 and is commonly known as the “85”, please make sure that these show **as program funded**.

*Non-USDH Staffing Requirements:* Show the number of non-USDH by category and the occupational backstop that most closely reflects the work being done.

*New Workforce Requirement:* Expanding on the work done last year to capture the estimated full cost of various functions in an Operating Unit, from program management to mission support, all mission staff will be allocated to SOs this year. [Guidance Annex VIII](#) on page 36 provides specific guidance on complying with this requirement as well as detailed instructions for completing the table.

E. Operating Expenses for Overseas and Washington Operating Units. Show the proposed use of OE and trust fund resources by resource category for the FY 2005 estimate, FY 2006 target, and FY 2007 request levels. For FY 2007 OE, the target level should be straight-lined from your FY 2006 allocation. The FY 2007 request should reflect an amount that takes into account the base and increases. **All amounts are to be reported in thousands of dollars.** Compute ICASS levels as follows: FY 2005 ICASS requirements should equal FY 2004 bills inflated by 6.8 percent; FY 2006 ICASS requirements should equal the FY 2005 estimate inflated by 6.5 percent; and the FY 2007 ICASS requirement should equal FY 2006 estimate inflated by 6.5.

F. The ICASS Working Capital Fund. This table should be used by overseas operating units that are or will be an ICASS service provider. This table should reflect the amount the Agency will be reimbursed for services provided. Include costs associated with providing services to OE-funded operations, USAID program operations and other customer agencies on post. Please note that the first line of the Table is for Washington-Funded Salaries and Benefits. If a USDH allocates time between providing ICASS services and providing non-ICASS support, report the estimated salaries related to ICASS on this line. Staff that is funded though the ICASS WCF is reported through the workforce table as well – see [Guidance Annex VIII](#) on page 36 for details.

G. Trust Fund and FSN Voluntary Separation Payment/Withdrawal Information. For use only by overseas missions, this table shows (a) availability of local currency trust funds and (b) deposits to and withdrawals from the FSN voluntary separation account. Please note that if an overseas unit shows obligations under object class 12.1 on the OE table for FSN voluntary separation

(FSN direct hire or FSN PSC), then the FSN voluntary separation portion of this table must be submitted. The OE totals on this table must match the total FSN voluntary separation amounts for FSN direct-hire and FSN PSCs on the OE table. Also, provide the exchange rates used in computing the dollar equivalent of local currency trust funds. This information is required in the Agency's Budget Justification.

H. Controller Operations. In the same format as the overseas OE table, this table should reflect only those costs associated with the office of the controller at overseas missions.

I. Global Climate Change. Each GCC mission must complete the GCC budget table, which requests data on obligations by country, strategic objective, and fund account for activities conducted in FY 2004 and 2005 and estimates for FY 2006 and FY 2007. Operating Units must also finalize 2003 data.

J. Global Development Alliance. All Agency Operating Units must report on public-private alliances to document: (i) the extent to which Public-Private Alliances are being used in on-going Agency programs, (ii) the range of alliance partners and partner types currently participating in Agency-funded alliances; and (iii) the nature and amount of partner contributions which are being leveraged in support of USAID program objectives. This information is routinely requested by various external audiences; it is also needed for internal assessment of the Agency's progress towards mainstreaming the GDA business model. See [Guidance Annex XI](#): Public-Private Alliances on page 41 on GDA Precepts.

K. Minority Serving Institutions. In compliance with Presidential Executive Orders, each federal agency is required to submit individual annual plans and performance reports on the agency's actions to increase the participation of Minority Serving Institutions (MSIs) in federally-sponsored programs. These reports are submitted to the Secretary of Education and the Office of Management and Budget (OMB). MSIs are institutions of higher education in the United States, which either historically or currently have an ethnic minority student enrollment of more than 25 percent. MSIs consist of Historically Black Colleges and Universities (HBCUs), Hispanic Serving Institutions (HSIs) and Tribal Colleges and Universities (TCUs).

Each Bureau is requested to report in the AR application detailed information concerning:

- The activities and the amount of funding awarded in FY 2004 to MSIs, via contracts, grants, and cooperative agreements, as well as subordinate and third-party arrangements under these funding instruments.
- Funding for long- and short-term training, internships, fellowships, conferences, and seminars involving these institutions.
- Bureau/office FYs 2005, 2006 and 2007 plans to increase the participation with MSIs via contracts, grants, and cooperative agreements, as well as subordinate and third-party arrangements under these funding instruments.

Included in the MSI Annual Report database for your information are the lists of Minority Serving Institutions (HBCUs, HSIs and TCUs). Additional information on MSIs is available on USAID's internal MSI website (<http://inside.usaid.gov/MSI/>).

### ***III. Other Agency Reporting Requirements***

For the topics below, except for the GCC budget table and data on results achieved through public-private alliances, you will be asked to submit information separately from the Annual Report according to the deadlines established below.

- A. Global Climate Change (GCC).** There are three parts to this requirement: (1) GCC budget information, (2) a narrative, and (3) indicator tables. Please submit GCC budget information with the other budget tables in the Annual Report electronic database application. Submit the GCC narrative and indicator tables directly to Carrie Stokes no later than February 15<sup>th</sup>, 2005. The guidance for preparing the narrative and tables will be provided to GCC technical officers and their program officers directly by Carrie Stokes. The GCC reporting requirement is mandatory for those missions, Regional Offices, and Washington-based programs that attribute financial resources toward the Agency's Global Climate Change Program, and will be used to construct the Agency's annual Global Climate Change report for Congress. Questions regarding GCC reporting requirements should be sent to Carrie Stokes: [cstokes@usaid.gov](mailto:cstokes@usaid.gov).
- B. Security Requests.** The Office of Security (SEC) will send a cable on or about March 1, 2005 to request USAID security program funding requirements from all missions. This will require that USAID Operating Units state their anticipated security requirements (e.g. facility expansion or relocation, armored vehicle and communication system needs, and anticipated number of background investigations to be conducted). USAID Directors will be required to provide a comprehensive security assessment of their missions. None of the mandatory security assessment is to be sent with the Annual Report Application. Please make preparations for this eventuality as you prepare your resource request. Questions regarding this reporting requirement should be sent to <mailto:hmanchester@usaid.gov>.
- C. Microenterprise.** The Microenterprise Results Reporting (MRR) system -- website [www.mrreporting.org](http://www.mrreporting.org) -- will continue to be the official mechanism for Agency collection of microenterprise data. The MRR contact persons in missions will receive e-mails in October-November 2004 by Weidemann Associates (currently the contractor responsible for implementing MRR) to request electronic submission of FY 2004 obligation data and obligation projections for FY 2005 through FY 2007, along with contact data for collaborating institutions. Institutions with continuing agreements drawing down earlier funding and institutions that received USAID obligations in FY 2004 will be expected to submit institutional data. Institutional data will be requested in early February 2005 allowing for the close of fiscal years ending in December. For additional information, contact Sharon Williams at <mailto:swilliams@weidemannassoc.com> or John Berry in USAID's Office of Microenterprise Development. None of the MRR is to be sent with the Annual Report. Please note, however, that some microenterprise information will be requested in some parts of the Annual Report.



**D. HIV/AIDS Programs.** The previous HIV/AIDS country categorizations of rapid scale-up, intensive focus, and basic are no longer valid. Currently, all countries are under the President's Emergency Plan for AIDS Relief. However, there are fifteen focus countries under the Emergency Plan. They are: Botswana, Cote d'Ivoire, Ethiopia, Guyana, Haiti, Kenya, Mozambique, Namibia, Nigeria, Rwanda, South Africa, Tanzania, Uganda, Vietnam, and Zambia. The ADS will be updated shortly to reflect this change.

Countries have different reporting requirements depending on whether they are Emergency Plan focus or non-focus countries. To avoid duplicative reporting, starting in FY 04, the fifteen focus countries will report directly to the Office of the Global AIDS Coordinator (OGAC) per a) The President's Emergency Plan for AIDS Relief Indicators, Reporting Requirements and Guidance, April 14 2004, and b) Emergency Plan Annual Report Guidance, draft August 24, 2004. The focus countries should cc John Novak, GH/OHA (jnovak@usaid.gov), in their reports to OGAC.

For the operating units with non-focus AIDS programs, The Guidance on the New Monitoring and Reporting System Requirements for HIV/AIDS Programs, 2003 is still valid. Non-focus countries are required to report annually against the indicators in the Performance Measures table to the extent that such reporting is feasible. Per the ADS, they should also conduct Data Quality Assessments once every three years on the HIV/AIDS indicators they report to Washington. As per reftel STATE 168905, August 2004, non-focus countries may have similar reporting requirements as the focus countries in the future.

**E. Success Stories.** Please submit your success stories through USAID's web-based tool for story collection, <http://www.usaid.gov/stories/about.html>. At the time you submit stories, copies of your submissions should also be sent to the program offices in your respective bureaus. Stories are collected in 5 specific formats: Success Story, Case Study, First Person, Before and After, and Photo and Caption. Each story should focus on the impact of USAID assistance on an individual or small group benefiting from USAID assistance. Guidance on the structure of each of these 5 formats is available at <http://www.usaid.gov/stories/about.html>. Operating Units are encouraged to submit success stories throughout the year, but for Operating Units that have not done so recently, LPA would like you to submit FY 2004 success stories by December 17, 2004.

**F. Presidential Initiatives.** Though Operating Units should report on Presidential Initiatives under the appropriate Strategic Objective and clearly indicate the results achieved, Operating Units participating in Presidential Initiatives must also report twice a year via the Online Presidential Initiative Tracking System (OPIN). HIV/AIDS focus countries see section XII.

#### ***IV. Submission Requirements, Format, and the Application***

A. All portions of the Annual Report will be submitted through the same application as last year. Use of this application is mandatory. See [Guidance Annex IX](#) on page 39.



B. All Operating Units are required to submit complete Annual Reports unless they do not need program funds and/or OE funds after FY 2004. Those OUs that do not need funds after the current year should submit a review of the results they have achieved per applicable sections of Section I above. Non-presence programs with defined country-level Strategic Objectives are also required to submit a separate Annual Report. Washington Program Offices will identify the OUs responsible for preparing these Annual Reports.

C. Do not include any graphics, tables, text boxes, bullets (you may substitute dashes for bullets), or photographs in your narratives. The Annual Report Application will allow you to generate a Word document for printing and viewing purposes. This document may also be saved to a file at which time you may add photographs, tables, text-boxes, and graphics for any purpose the Operating Unit deems appropriate.

D. The required font, margins and headings are built into the Annual Report application. Do not even *attempt* to reformat them. We regret that this application does not allow you to use foreign letters or accents; this is a technical limitation of the database, not a policy issue.

E. Operating Units should avoid acronyms wherever possible, as they are not necessarily known by USAID/Washington, by Congress, or the general public. Operating Units are required to spell out acronyms the first time they are used in each CBJ data sheet and should do this in all narratives.

F. Submit only the electronic application. Do not send MS Word documents, MS Excel files or password-protected documents.

G. Cases of conflicting or unclear supplementary guidance should be reported to Joe Lombardo and/or Parrie Henderson-O'Keefe, PPC/SPP, and copied to your Regional Bureau for resolution.

H. The application will be sent as soon after September 30<sup>th</sup> as possible, but if you have not received it by October 20<sup>th</sup>, there may have been a problem with transmission and you should contact [ARApp@dec.cdie.org](mailto:ARApp@dec.cdie.org) as soon as possible.

The application will be sent as an e-mail attachment to OU system administrators for installation. The application will be sent to one system administrator only because of its size. Installation instructions will be included in the email message. However, unlike last year, updates to the version of the application, if necessary, will be transmitted to each Operating Unit via Web services, and transmission of each Operating Unit's data will be submitted back to AID/W via Web services from a selection on the main tool bar found at the top of the application. One or two missions will still have to communicate via e-mail through the entire process.

For planning and coordination purposes, the program office and budget office contact persons will be sent an email message informing them as to when the application was sent to the system administrator. In response to greatly increased reporting requirements for coding below the SO level, Operating Units should decentralize reporting of SO budget data by also having the application installed with SO team leaders or activity managers.

Operating Unit program officers, program budget analysts and/or controllers will be contacted with specific information on how to use the application. Specific instructions for filling out the application, as well as a description of the improvements that were made to the application from last year, are available from the website: <http://CDIE.USAID.gov/ar>. Although we are using the same application as last year, improvements and updates have been made that may require additional updates and modifications. We are making every effort to keep these to a minimum.

I. The application will be pre-populated with some prior year budget data as well as each Operating Unit's list of Strategic Objectives based on the SO submitted in last year's Annual Report.

J. Once your Operating Unit has finished entering information, the application is to be returned to the same location in Washington via the web services function included in the application. DO NOT send the application to any other address. DO NOT send it to your desk officer or anyone in PPC. All country applications will be consolidated for each Bureau and forwarded to that Bureau.

Your first contact for questions on any part of this guidance, including questions about this application, should be directed to your bureau contacts as designated in the Bureau Specific Guidance. However, e-mails sent to your bureau contacts may copy the application programmers at <mailto:ARApp@dec.cdie.org>. In emergencies, phone inquiries on technical aspects of the narrative portions of the application can be directed to Chris Wolter-Nagle at 301-562-0641 extension 104; questions regarding how to run or install the application can be directed to Dennis Nagle at extension 150. Before calling for assistance, first try to leave the application and re-enter it to see if the problem still exists.

K. *Application Basics*. Please see [Guidance Annex IX](#) on page 39 for basic information on the application.

L. *Supplemental References*. The following information on Annual Report preparation is available on the Intranet web page at <http://CDIE.USAID.gov/ar>. Partners will be able to access Annual Report guidance and related support materials at the following external website: <http://www.dec.org/partners/ar>. All Supplemental References will be available by October 30, 2004.

- 1) A mock CBJ submission for the fictitious country of Freedomi
- 2) A mock Performance Narrative and Budget Narrative for the fictitious country of Freedomi
- 3) Joint State/USAID Strategic Plan
- 4) User Help Guide for Application
- 5) Policy on Description and use of Child Survival and Health funds
- 6) Glossary of commonly used terms in this guidance
- 7) USAID Editing Instructions
- 8) Guidance on the New Monitoring & Reporting System Requirements for HIV/AIDS Programs
- 9) Expanded Response Guide to Core Indicators or Monitoring and Reporting on HIV/AIDS programs
- 10) ABS FY 2005

- 11) Coding Definitions and Contacts
- 12) After-action review of FY 2004 AR
- 13) Business Model Review
- 14) Interim Guidance on Strategic Planning

Frequently Asked Questions and clarifications/additions to this guidance will be posted at: <http://CDIE.USAID.gov/ar> and <http://USAIDResults.org>.

## ***V. Bureau Specific Guidance***

### ***A. Africa Bureau***

**Submission Information:** REDSO/ESA will be expected to submit Annual Reports for REDSO, Burundi, Djibouti, and Somalia. Guinea will be expected to submit Annual Reports for Guinea and Sierra Leone. DRC will be expected to submit Annual Reports for DRC and the Central African Regional (CAR) Program. South Africa will be expected to report on the Regional HIV/AIDS Program (RHAP) - 690-019).

**FY 2006 Alternative:** Operating units that wish to propose a different mix of FY 2006 resources are encouraged to submit an alternate FY2006 request, once the actual FY2006 CBJ request level is known. The Bureau has found these alternative submissions to be useful tools when setting the actual operating year budget once an appropriation is signed.

**2007 Request Parameters:** For FY 2007, missions are requested to limit their overall request level to no more than 10% above the FY 2006 CBJ level, excluding funding for HIV/AIDS and the initiatives. Relative priorities between sectors will be clarified through the distribution of the funding request. To avoid duplication in aggregating requests, missions should exclude projected initiative funding from their FY2007 request.

**U.S. Financing Tables:** It is the Operating Unit's responsibility to adjust the "Future Obligations" section of the U.S. Finance Table so that the Estimated Total Cost reflects the authorized life of SO ceiling for each SO.

**Performance Reports:** Missions are also encouraged to report on the results of cross-sectoral programming, e.g., HIV/AIDS, and cross-cutting issues, such as gender mainstreaming, where appropriate. Missions with mature strategies (and/or SOs that extend beyond the life of a new strategy) should report on SO-level impact results, not just inputs and outputs.

**SO Indicator Tables:** The Africa Bureau will be using the scores derived from the SO Indicator Tables (Guidance Annex IV) in the annual review of each SO. The scores may also be used in the Bureau's budget allocation process.

Several observations from last year's review follow:

- Choose the correct indicators to measure the SO's progress for this FY (those selected at the beginning of the year).
- Weight the indicators carefully.

- When reporting on integrated SOs (i.e. health and education; economic growth and environment), choose indicators that represent both parts of the SO or an indicator that reports on results from the synergy between the two sectors.
- Take care when entering the data into the table. Empty cells and data entry errors led to incorrect calculations, potentially affecting budget decisions.

**Success Stories:** This year, missions are asked to submit success stories directly to the LPA “Telling Our Story” Database, in the format required by this system. Please send copies of these stories to the Africa Bureau at [abic@dis.cdie.org](mailto:abic@dis.cdie.org). Any additional stories that do not fit into the LPA format can also be sent to the ABIC success story database. The Bureau seeks gender success stories, e.g., activities with clearly stated gender objectives, and innovative use of gender tools to improve the condition of women and men.

**Preparation Questions:** Operating units with general questions about Annual Report preparation should contact their POSE Backstop: Ruth Buckley, East Africa; Sharon Pauling, West Africa; Richard Strickland, southern Africa; and the POSE Annual Report Coordinator, Janet Kerley, or Steve Giddings, Division Chief, AFR/DP/POSE. Questions about program resources or CBJ sections should be directed to AFR/DP/PAB, Carrie Johnson or Paul Knepp. Questions about OE should be directed to Bureau Controller, Beverly Busa. Workforce questions should be directed to AFR/AMS, Merle Mukai. Questions about closeout reporting should be directed to Janet Kerley.

#### ***B. Asia Near East Bureau***

This year ANE management requests that missions don’t neglect the following:

- Performance narrative: In this narrative, though it is included as one of the elements you will be reporting on in section I.D, ANE management wants to emphasize that you must discuss the relationship between results attained (or not attained) and host country commitment (political will and governance).
- Resource narrative: Missions are invited to tell the Bureau if the current sectoral mix of funds (ENV, EG, DG, etc.) creates problems and what the mission could accomplish with a different funding mix. In addition, please indicate where non-developmental USG interests affect the requested funding level.

**Preparation Questions:** OUs with questions about narratives should contact Susan Fine and Monica McQueary of ANE/SPO. For budget questions, please contact Robert (Bob) Hudec ANE/SPO.

#### ***C. Europe Eurasia Bureau***

To assist the E&E Bureau in a timely submission of the Annual Report, the Budget Planners (Sheila Cunningham for Europe and Pat Brown for Eurasia) will be sending each mission SO control levels for FY 2003 and FY 2004 in mid-October 2004. The E&E Program Office requests that the missions submit the application with their FY 2003 and FY 2004 appropriation data by pillar/sector under the SO Appropriation Table no later than November 12, 2004. Please ensure

that the Global Climate Change table ties to the SO Appropriation table (attribution and Emphasis Area Coding). The Microenterprise data (attribution and Emphasis Area Coding) in the SO Appropriation table should also tie to the MRR database. The transfers will be entered here in Washington.

For FY 2005 and FY 2006, the budget planners will send a special excel table that allows each mission to break out their SO budget by functional area. The alternate FY 2006 and 2007 budget tables should not be completed in the AR data base.

Questions about budget levels should be addressed to Sheila Cunningham (AEEB) and Pat Brown (FSA). Questions about OE and workforce tables should be directed to Mario Rocha/Audrey Doman. Questions about the overall Annual Report should be directed to Jeff Evans.

#### ***D. Latin America and Caribbean Bureau***

In your narratives, missions are asked to emphasize Bureau priorities, especially trade, anticorruption, and alternative development, where appropriate.

Format. Please pay particular attention to the Agency's list of official SO titles and numbers. If you have any questions on this please contact Sue Hill in LAC/SPO.

Missions are asked to consult with ADS 201.3.11.1 and the LAC/SPO database (see [http://inside.usaid.gov/LAC/docs/lac\\_so\\_detail1.rtf](http://inside.usaid.gov/LAC/docs/lac_so_detail1.rtf)) to determine if planned obligations are within authorized levels for the life of each Strategic Objective. If the Mission anticipates the need for an increase in authorized levels beyond the Mission's authority, the amount of the proposed increase and purpose should be stated in the cover memo.

Budget. FY 2007 Alternative Budget: in addition to the FY 2007 base budget (which will reflect mission priorities at the Bureau control levels), LAC missions are requested to complete the FY 2007 Alternative Budget. For the FY 2007 Alternative, use a budget increased no more than 10% from the FY 2006 level, assume there are no earmarks or other restrictions, and structure the budget to reflect the mission's priorities. That is, Missions should avoid putting the increase in all sectors and programs equally, but should rather focus on one or two programs that the Mission believes are of the highest priority. Missions should also highlight in the Resource Request Narrative, the rationale for the proposed increases, and indicate how performance influenced those decisions. The Bureau has found these alternative submissions to be very useful tools when preparing the BPBS, determining priorities, and in informing other budget decisions.

On the U.S. Financing tables, it is the missions' responsibility to adjust the "Future Obligations" amount so that the Estimated Total Cost reflects the authorized life of SO ceiling for each SO. Authorized life of SO ceilings can be found on the intranet at [http://inside.usaid.gov/LAC/docs/lac\\_so\\_detail1.rtf](http://inside.usaid.gov/LAC/docs/lac_so_detail1.rtf). The budget should also reflect the missions PD&L needs for upcoming assessments that do not fall within the sectors of your current Strategic Plan (See ADS 201.3.3.5). The Bureau will notify PD&L needs on the mission's behalf and reduce the mission's OYB accordingly.

Preparation Questions. Operating Units with general questions about Annual Report preparation should contact Donald Soules. For questions regarding program resources or PD&L contact Janet Rudasill-Allen. For questions regarding OE resources contact the LAC Bureau Controller.

### ***E. Democracy, Conflict and Humanitarian Assistance Bureau***

DCHA/FFP: In addition to all requirements described in the main guidance, DCHA/FFP should prepare and submit the dollar and metric ton tables, including FY 2003 Final Program Levels, FY 2004 Final Program Levels, FY 2005 Estimated Level, and FY 2006 requested levels. These tables are not part of the Annual Report Database and should be completed with the software DCHA/FFP has utilized to create them in the past. These tables are due to DCHA/PPM on December 17, 2004, and will be shared with the regional bureaus.

DCHA/OTI: In addition to all requirements described in the main guidance, DCHA/OTI should prepare and submit the following two tables both due to DCHA/PPM on December 17, 2004:

- a) The table listing country programs managed by OTI, showing obligated funding levels implemented for FY 2003 and FY 2004 and planned for FY 2005 and FY 2006 that will follow the TI section of the Central Programs Annex.
- b) The table covering fiscal years 2003-2006 and breaks out actual or proposed transition assistance funding levels by country that is included in Summary Tables of the CBJ.

Preparation questions: Each Operating Unit's backstop from all DCHA/PPM Teams can be located on the intranet at <http://inside.usaid.gov/DCHA/PPM/index.htm>. If you have any questions or issues, do not hesitate to contact your DCHA/PPM support.

## ***VI. Washington Review***

While there is no prescribed format for review of the Annual Report, PPC has found that the following are best practices:

- Review all cover memos. Ask: Can issues raised in the Cover Memo be addressed with information supplied in the Annual Report? If so, then there may be no reason to conduct a formal review of the AR. If not, it may be necessary to organize a review with Operating Unit representation. Sector or technical review teams and Sector Councils will be reviewing the Annual Report for the following purposes: 1) for general understanding of field programs, both bilaterally and in a global context; 2) to provide sector performance information for the Bureau Program and Budget Submission (BPBS) and Agency Annual Budget Submission (ABS) to OMB.
- During the completion of Bureau reviews of the Annual Report, PPC also suggests that each Bureau analyze and review the progress of mainstreaming public-private alliance building as a business model within its programs. Upon request, the GDA Secretariat is willing to assist the Bureaus in this review process. The process would capture lessons learned and identify institutional constraints and areas where further technical assistance and/or policy and business changes would be appropriate in order to fully mainstream public-private alliance building as a means to deepen development impact in USAID programs.

- Technical offices are asked to refrain from reviewing Annual Reports until they are posted on the Annual Report Database website on CDIE.

The Annual Report narratives must contain sufficient performance information at the SO level to inform the Bureau Program and Budget Submission. However, the Annual Report is not intended to supply technical offices with indicator data at the activity level. To address a continuing need for activity level information, intensive, mid-course implementation reviews of an Operating Unit's performance, including careful examination of the PMP, should be done at least once every three years (See ADS 203.3.10 for guidance on Mandatory Triennial Program Reviews). Operating Units are also encouraged to share their performance data with their technical colleagues in Washington at any time.

Bureaus will review and respond to issues raised in the Annual Report cover memo and in the Annual Report immediately following the Bureau Program and Budget Submission reviews, or as soon as the necessary information to respond becomes available, unless other arrangements are worked out. At a minimum, missions will receive an e-mail reporting when cover memo issues will be addressed. Management Agreement cables or letters will be prepared when there are specific changes to the Management Agreement and/or the strategic plan.

### **Guidance Annex I:** *Summary of Notification Guidelines*

The following information is provided to assist you in determining when the CBJ can/cannot serve as notification.

The FY 2006 CBJ **can** serve as notification of FY 2005 and FY 2006 funding in the following circumstances: A new SO; an increase in fiscal year funding (above 10 percent for DA, CSH, ESF, AEEB, and FSA); an increase of \$5 million or more for life of SO; addition of a new account for funding; and substantial change in SO purpose or activity.

The CBJ **cannot** serve as notification for programs that are subject to separate notification by legislation. The legislative exceptions currently in effect (based on FY 2004 Consolidated Appropriations Act) are:

Congressional Notifications (\*). As in prior Acts, the Appropriations Committees use the phrase "subject to the regular notification procedures of the Committees on Appropriations" to denote those programs which require special notification. This means that inclusion of a project or activity in the FY 2006 Congressional Budget Justification document is not sufficient to satisfy prior notification requirements for those countries, programs, or activities, as the case may be, which the FY 2004 Act and its accompanying Statement of Managers or "SOM" (subject to revisions by an FY 2005 appropriations act once enacted) specifically makes subject to "the regular notification procedures of the Committees on Appropriations". Separate notifications will need to be submitted to Congress to satisfy this additional notification requirement. The following is a list of special notification requirements contained in the FY 2004 Act and the SOM:

- prior to obligating funds managed by or allocated to the Global Development Alliance Secretariat (this is the same as FY 03);

- prior to obligating Development Assistance funds for programs and activities in rural Mexico to promote microfinance, small business development, energy and environmental conservation, and private property ownership in rural communities, and to support small farmers who have been affected by adverse economic conditions (this is a new requirement);
- prior to obligating Development Credit Authority funds for the cost of modifying any guaranteed loans under the Act or prior Acts (this is a new requirement);
- prior to obligating funds to open a new USAID overseas office or mission of the United States Agency for International Development (this is a new requirement and is not a 15 day notification);
- prior to a decision to reduce the number of full-time equivalent positions for United States foreign service employees of the United States Agency for International Development for countries in the Latin America and Caribbean region below the number for such employees for countries in that region as of September 30, 2003 (this is a new provision);
- prior to obligating receipts from rental payments by other agencies for the use of space financed from the Capital Investment Fund (this is the same as in FY 03);
- prior to obligating any funds appropriated to the Capital Investment Fund (this is the same as in FY 03);
- prior to obligating ESF funds for assistance for the central Government of Lebanon (this is the same as in FY 03);
- prior to obligating ESF funds to provide assistance to the National Democratic Alliance of Sudan to strengthen its ability to protect civilians from attacks, slave raids, and aerial bombardment by the Sudanese Government forces and its militia allies (this is the same as in FY 03);
- prior to obligating ESF funds for a Middle East Financing Facility, Middle East Enterprise Fund, or any other similar entity in the Middle East (this is a new requirement);
- prior to increasing or decreasing amounts allocated for ESF by the table contained in the SOM (this is a new requirement);
- prior to increasing or decreasing amounts allocated for Eastern Europe and the Baltics by the table contained in the SOM (this is a new requirement);
- prior to obligating funds pursuant to the authority in section 508 of the Act to resume assistance to a country whose duly elected head of government has been deposed by military coup if a democratically elected government subsequently has taken office, or if the assistance is being provided to promote democratic elections or promote public participation in democratic processes (this is the same as in FY 03);
- prior to obligating funds under the heading 'Assistance for the Independent States of the Former Soviet Union' for the Russian Federation, Armenia, Georgia, and Ukraine (section 517, and is the same as in FY 03);
- prior to obligating funds for Liberia, Serbia, Sudan, Zimbabwe, Pakistan, Cambodia or the Democratic Republic of the Congo (section 520; Cambodia is a new addition);
- prior to obligating funds for the democracy programs specified in section 526 (e.g., programs for the People's Republic of China, Tibet, Hong Kong, and "countries with significant Muslim populations")(this is the same as in FY 03);
- prior to obligating funds for any cash transfer or nonproject assistance (this is the same as in FY 03);



- prior to the distribution of any assets resulting from the winding up of an Enterprise Fund under section 530 of the Act (this is the same as in FY 03);
- prior to obligating funds for Burma under section 531 of the Act (this is the same as in FY 03);
- prior to obligating funds to combat trafficking in persons (section 534(a), the same as in FY 03);
- prior to obligating funds under section 537 of the Act for nongovernmental organizations for assistance to countries that would otherwise be prohibited from receiving assistance (the same as in FY 03);
- prior to obligating reprogrammed funds withheld as a result of unpaid parking fines (section 544, the same as in FY 03);
- prior to obligating funds for community-based police assistance for Jamaica and El Salvador under section 573 of the FY Act (the same as in FY 03);
- prior to any proposed reprogramming or transfers of funds into or out of the Global HIV/AIDS Initiative account (SOM)(this is a new requirement).

## **Guidance Annex II: Program Performance Summary Checklist**

Requirement	Check
<b>Achievement/Impact</b> What is the country setting? Has country commitment or performance changed significantly? Who are the beneficiaries of USAID resources and how are they benefiting? How does your program address a specific interest, problem, or need? How is it designed to make a unique contribution to addressing the interest, problem, or need? Please answer this last question in the context of other USG and other donor efforts.	
What are the key achievements of the program for this reporting period? At their discretion, Operating Units may also choose to mention presidential initiatives and Global Development Alliances (GDA), including how alliances affect the choice of programs, and how they are integrated into programs as a way of involving private partners in USAID's development agenda.	
<b>Challenges/Effectiveness</b> What are the most important challenges your Operating Unit has faced and how has it dealt with them?	
Indicate if your country is showing fragility through vulnerability to conflict or crisis, or is not climbing out of it. Whether/how conflict or crisis is affecting program operations and performance, and how the Operating Unit is dealing with it.	
<b>Integrated Programming</b> Where possible, describe program synergies, program integration, and cross-cutting themes that demonstrate how development resources work in combination to achieve results, within and across SOs.	

When stand-alone, non-emergency Title II resources do not contribute directly to a strategic or special objective, Operating Units are asked to make note of stand-alone programs by addressing briefly (1) the contribution of these resources to food security in the country; and (2) the effectiveness of the programs supported with these resources in achieving results agreed upon in the relevant Development Activity Proposal (DAP).	
What are the gender implications of your program and how does your program address gender disparities?	

### **Guidance Annex III: *Environmental Compliance***

Required of all Operating Units (ADS 204.5.3) and is composed of:

- a) A list containing activities or sets of activities that might need a new or amended Initial Environmental Examinations (IEE) or Environmental Assessments (EA) in the coming year, and a timeframe for approval (see 22 CFR 216). If none are anticipated, please so state. The purpose of this requirement is to ensure this work is budgeted for by the Operating Unit and integrated into the OUs work as well as the Bureau Environmental Officer's work thereby avoiding problems or delays since funds cannot be obligated without an approved Categorical Exclusion (CE), Initial Environmental Examination or, if required, an approved Environmental Assessment. Preparation, review, and processing times need to be incorporated into planning. As a reminder, Regulation 216 requires amended IEEs, CEs or EAs for substantive activity amendments or extensions, and/or when ongoing programs are revised to incorporate a significant change in scope or nature. For further information, please contact your bureau environmental officer.
- b) A brief statement of whether ongoing Strategic Objectives and related activities are in compliance with their approved Initial Environmental Examinations, Categorical Exclusions, or Environmental Assessments (when done). For activities not in compliance, the OU shall indicate what corrective actions it will take and by when to bring the SO into compliance as soon as possible. The purpose of this requirement is to provide an annual check of whether the OU and its SO teams are meeting the legal requirements of compliance. Indicating whether an SO is in compliance should not be taken lightly and each SO team is accountable for the statement concerning their SO. SO teams are responsible for managing their SOs and related activities to keep them in compliance with Reg. 216 throughout implementation.

### **Guidance Annex IV: *Assessing Operating Unit Program Performance – The SO Indicator Table***

The Freedomi model of the performance narratives contains examples of the method of performance information collection. Please examine them closely.

SO performance assessments will be done in Washington as part of the spring budget process. You will be submitting two pieces of information that will contribute to the assessment. First, you must include the actual indicators against which you decided to evaluate your SO performance. Second, you will be asked to rate the importance of each indicator, based on how well the indicator characterizes the achievement of the SO at its current stage. Use a scale of one (1) to five (5), with

a five representing an extremely relevant indicator and a one signifying an indicator that is not very relevant at this time.

What should you consider when determining an indicator's relevance in capturing SO progress? ADS 203.3.4.2 on Characteristics of Good Performance Indicators may provide you with useful guidance. One factor might be the "age" of your SO. For example, early in the life of an SO, indicators at the activity or Intermediate Result level might have a score of 5, whereas an indicator at the SO-level – for which you would expect to see little impact early on – might get a score of 1. On the other hand, late in the life of an SO, the SO-level indicator should be expected to get a high score of 5, since presumably that indicator measures whether or not the SO is likely to be achieved. At that point, an indicator at the IR or activity level should probably receive a lower score.

Another factor that could possibly affect the score of an indicator is whether or not the indicator is direct or a proxy (see ADS 203.3.4.2 a). Direct indicators might warrant a higher rank (say, a five) than a proxy indicator (with a rank of one). This would be left to the discretion of the OU.

The point is that we hope to establish some measure of data validity: how closely do the indicators measure what they are supposed to measure (that being the "problem solved" as articulated in the SO). Some indicators may be ranked equally, but all should not be.

You will also be asked to indicate the direction of progress for your indicator. This is new for this year, but is a minimal requirement that allows us to know the expected direction of progress. In the indicator table, if the direction of progress is expected to be positive, for example, you expect the number of loans to *increase*, enter a "+" sign in the row for that indicator. On the other hand, if the direction of progress in the indicator is expected to be negative, for example, you are aiming to *reduce* the number of maternal deaths, enter a "-" in the row for that indicator.

Global HIV/AIDs focus countries may face a dilemma with respect to what to report. Your PMP contains a number of indicators – some that you use for management, some that you use for reporting, and some that serve dual purposes – a subset of which you will be sending to Washington for reporting to the State Coordinator's office. USAID still needs to capture your performance on this SO for FY 2004. To the extent that you are reporting an indicator to S/OGAC you are not required to report it again here. In the SO indicator table, focus on those indicators that most closely represent your Operating Unit's progress in the SO.

*Rules for data entry into the indicator table:*

1. One indicator per line and one observation per cell. Do not enter multiple observations into one cell. For example, if your Operating Unit tracks male, female, and total, this represents THREE indicators with only one observation each year for each of them.

Example of a good entry:

Total enrollment (000's)	550
Female enrollment (000's)	220
Male enrollment (000's)	330

Example of a bad entry:

Enrollment (male, female and total in 000's)	550/220/330
--	-------------

2. Specify the unit of measurement in the indicator title not in the data entry cell.

Example of a good entry:

National Gross Enrollment Rate at primary level (Grades 1 – 8) (%)	15
--	----

Example of a bad entry:

National Gross Enrollment Rate at primary level (Grades 1 – 8 )	15%
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3. If you reference a source, do that in the indicator title, not in the data entry cell.

Example of a good entry:

Number of Children receiving DPT in region A (000's) (Source: DHS)	20
--	----

4. Translate qualitative indicators into numerical codes. If you feel that you cannot, then please simply enter in the “actual” column a 1 if you met your target or a 0 if you failed to meet it. The application will ONLY allow numbers to be entered into the target and actual cells of the table. If an observation is NA or N/A, PLEASE LEAVE THE CELL BLANK!

Examples:

Indicator	Target	Actual
Tax law passes parliament (pass=1, fail=0, partial=.5)	0	1
Tax law passes parliament (drafted=1, negotiated=2, Brought to floor=3, passed=4)	1	1

5. The indicator and data observations must make sense. Examples of bad indicators:

Indicator	Target	Actual
New Judicial Codes Adopted by National Assembly (The indicator suggests a numerical outcome whereas the observations are qualitative and unexplained)	PC approve	PC partial
Mandatory Training of Newly Appointed Judges (What is the target? What does “Training” mean?)	Training	Yes

Failure to follow these rules will require USAID/Washington to reject improper indicators and may result in an inaccurate assessment of an SO's performance for or an assessment that contradicts the SO performance narrative.

## Guidance Annex V: SO Level Narrative Checklist

USAID/W has in interest in the following information where relevant to your program.

Requirement	Check
<b>Achievement/Impact</b> Discuss the key achievements/short-falls of the SO for this reporting period by program component.	
What is the impact of host country commitment and performance on program performance? Has hc commitment/performance changed over the life of the objective or are any changes anticipated that might affect performance?	
Describe ways in which disability issues have been incorporated into your SO activities and programs. Please discuss any obstacles/challenges that prevent you from incorporating persons with disabilities into your SO activities and programs.	
Discuss in this section, as appropriate, the performance of activities funded by mission field support transferred to pillar bureaus and Development Credit Authority resources. (NOTE: the requirement for discussion of the performance of such activities does not imply that field missions are to assume responsibility for management of and/or all reporting on these activities. In preparing this portion of the Annual Report, field missions should consult with pillar bureaus and with DCA to describe accurately the performance of such activities)	
<b>Effectiveness</b> Discuss what management changes (to staff, to an activity, to an implementer, etc.) you made over the past year as a result of performance. Discuss candidly constraints your Operating Unit faced and how they have been addressed. What did you do to make the program work better? Given those changes, what are the expected accomplishments over the next reporting period, i.e., what are overall prospects for progress through FY 2005, including actions to overcome factors impeding progress?	
Have you addressed any strategic planning and implementation deficiencies? Are there any considerations that prevent you from managing for results?	
<b>USG Requirements</b> Where Title II and dollar-funded activities are integrated to support one or more strategic or special objectives, include a brief description of the contribution and effectiveness of P.L. 480 resources to enhanced food security in the country, as it will form the basis of the Agency's performance assessment for integrated programs. Indicate if data, such as nutritional status, is provided to strengthen this assessment.	
For a comprehensive monitoring of assistance to Internally Displaced Persons (IDPs), all Operating Units with programs supporting IDPs are required to include a brief report , and depending on available information, include: (1) estimated number of IDPs assisted and funding levels, and (2) areas/sectors of assistance.	

Relay any critical gender issues and/or dynamics. What gender factors are critical to the achievement of the SO? How does the program mainstream gender? How will gender biases, where applicable, be improved?	
Presidential Initiatives reported under the appropriate Strategic Objective? Results achieved with the Presidential Initiative funding clearly indicated?	
All Operating Units implementing activities with conflict-designated monies must provide specific reporting on these activities. Operating Units are urged to also report on the extent to which they are implementing <i>Category One, Two</i> and/or <i>Three</i> activities with resources other than those specifically set-aside by the Agency for conflict activities. See Supplemental Reference 13 for additional information.	
<b>Coordination/Alliances</b> Discuss any GDAs or other leveraged public-private alliances your Operating Unit is currently participating in, identifying the key partners participating in the alliance, results being achieved by the alliance and their relationship to the SO, and the value-added being contributed by the partners.	

### **Guidance Annex VI: Resource Request Checklist**

USAID/W has in interest in the following areas when relevant to your program.

Requirement	Check
<b>Rationale and Justification</b> Explain how subsequent to strategic plan approval, significant unexpected changed circumstances (note: these were to be mentioned in the cover memo), such as country commitment and performance, need, other donor support, or foreign policy interests, have affected your FY 06 request for funds.	
Advise how program performance has affected your budget request. If you are not pursuing public-private alliances, please explain what problems exist that impeded your ability to pursue this resource-leveraging approach and any other relevant factors.	
If you have the option of requesting DA, ESF, P.L. 480 or other funds, explain the choice of funds to be used, particularly ESF v. non-ESF. Operating Units should consider how the intended use reflects the intended development purposes of the various funds. How do these choices reflect strategic budgeting? Use ESF levels consistent with the MPP and indicate how these resources will be used.	
Indicate how you will meet important earmarks, directives, and Presidential initiatives. Indicate where non-developmental USG interests affect the requested funding level.	
Identify those resources that are planned for public-private alliances. What are Operating Unit plans for developing public-private alliances and what is the impact on your budget request? Explain how leveraged resources will be brought to the alliance activity and how effectiveness will be monitored and evaluated. When in-kind resources are part of the public-private alliance, indicate the cash value of the contribution. If management of programs require	

relatively higher staffing or OE in relation to USAID program funds due to the nature of GDA alliances, please explain.	
If you have completed a conflict vulnerability assessment since your strategic plan was approved, indicate whether and how the findings of that assessment have affected your budget request.	
<b>Pipeline and Performance</b> Where applicable, specifically state how performance and pipeline have affected your budget request, especially for SOs not meeting expectations and repeated poor performers. Provide examples where pipeline analysis has been used to inform budget decisions.	
<b>Decommitments</b> Both ongoing and expired obligations and commitments should be reviewed to identify unexpended balances that are no longer needed. Planned decommitments should be considered in resource requests. See ADS 621.3.9 621.3.12, and 621.3.15 for information related to the review and deobligation of unexpended balances. The Deobligation Guidebook, internal mandatory reference to ADS 621, Obligations, provides detailed guidance on the deobligation process for bilateral program-funded obligations in paragraphs V.C.1 and V.C.2.	
<b>OE and Workforce</b> Explain how the configuration of Operating Unit staff relates to the Operational Plan and what adjustments, if any, are required for a better fit. Address outstanding management issues and provide a timetable for resolving those issues. Identify and quantify recurring security costs, and guard cost increases related to terrorism (physical, chemical, biological). For missions where there are no current plans for a new Embassy compound, identify the cost of moving staff from high-risk buildings to buildings that meet security standards Describe any outstanding issues for mission expansions or closures and related costs, if any. Identify FSN pay or other non-pay issues promulgated by USG, other government and non-government initiatives. Identify the needs and plans for the use of regional service platforms and how these platforms could be expanded. Describe the impact of Phoenix implementation on Controller operations and resource needs.  Discuss the relationship between the program request and OE and staffing requirements, including “critical” staffing requirements, and justify resource requests (workforce and OE) that exceed control levels (target level). The allocation of OE resources frequently does not correspond to changes in program allocations. Operating Units should address such inconsistencies as Bureaus will be asked to justify anomalies.  Reminder: The Agency recognizes that to manage resources leveraged under the GDA approach, it may be valid to allocate staff and OE out of proportion to the USAID resources allocated to that effort. Please address those cases where the OU or bureau has determined it is advantageous to allocate increased staff to manage activities involving relatively low USAID funding where significant	

other resources are involved.	
<p><b>Program-funded Personnel and Support</b></p> <p>This narrative should relate to the tables in section II: Resource Tables --- and --- and describe the different general functions of program-funded staff, i.e., USPSCs, local hire FSN, PASA, TAACS, reported in the “Quarterly USAID Worldwide Staffing Pattern Report.” In particular, discuss how program-funded staff are aligned with OE-funded staff within the mission for overall program management and detail any anticipated changes to the program-funded staffing levels envisioned within FY 2006. Describe any other anticipated uses of program funds that support mission operations or oversight. This information is critical to determining Agency total administrative costs and how to fund them. Questions regarding this reporting requirement may be directed to Diana Fernandez, PPC/RA.</p>	

## **Guidance Annex VII: *Performance Measures***

Operating Units should think of the data in their PMPs as falling into two categories: those for managing their SOs and those for reporting. The indicators contained in the Performance Measures table fall into the second category. To assist you in completing this table, we are including an Indicator Dictionary with definitions and/or examples. For most indicators it will provide you with clarifying information when filling out the table.

**Significant Results.** In a change for this year, we are asking for reporting on significant results only for those Performance Goals for which we have no other common indicators. Each unit is asked a yes/no question as to whether it has achieved a ‘significant’ result this year related to a “USAID Objective.” A ‘significant result’ is one that demonstrates that USAID is making a recognizable difference in the country where it is working. Achievement of intermediate results or strategic objectives is the most common type of ‘significant result’. Operating Units may characterize particularly important milestones achieved as “significant results.” The purpose of this question is to provide AID/W with examples of country-level impact of USAID activities. It is essential that this impact be described, so space is provided in the performance table (the column labeled “Description of the OU Response...”); Operating Units may also wish to discuss them in the Performance Narrative section.



Other Performance Measures. The shape of an Operating Unit's portfolio should drive the indicators on which it reports, not vice versa. This year, if an Operating Unit portfolio addresses a Performance Goal and does or can use one of the indicators included in the list of Performance Measures to measure performance against the SO or intermediate results for that SO, the Operating Unit must report data for that indicator. For example, if an OU has an environmental objective addressing improved land management, and it does or can use (as a progress measure) the number of hectares under improved management, it must report that number. Similarly, if the OU has an HIV activity involving condom distribution, and it does or can use the number of condoms distributed to measure progress, it must report numbers of condoms distributed. However, if the OU's portfolio does not address the particular subject, or the indicator is not appropriate for reporting progress against the mission's SO, it is NOT required to report against it. For example, if a land-locked country does not have a coastal or marine aspect to its environment program, the OU is NOT required to report on the coastal/marine indicator. When reporting on an indicator, the column labeled "Description of the OU Response..." should be used to provide any necessary additional information about the answer provided, for example, to describe the tools used for conflict-related programs by the mission (per the indicators under Performance Goal 1) or to elaborate on an answer. Exceptions to reporting on an indicator are, (1) if the indicator is one that is noted as new for this year (new indicators are marked in red) and the Operating Unit has not been collecting it, or (2) if a data quality assessment (DQA) has not been done on the indicator within the last three years (please note, DQAs do not apply to yes/no questions). All Operating Units MUST respond to yes/no questions. If an indicator title has changed slightly from last year, please see the Indicator Dictionary for instructions on how you should respond to that indicator.

This year we are asking for your targets for FY05 and FY06 by December 17th. The purpose of this effort is to come up with aggregate Agency targets, not for examining your individual performance. You must complete those targets for the indicators for which you have submitted FY04 data if you plan to continue in this area in FY05 and FY06, and for those indicators for which you may not have FY04 data (you've never collected it before but could, or you have not done a DQA), but will for FY05 and FY06. The data you submit here will be aggregated with all other missions providing data. Narrative targets, e.g. "we anticipate our country will reach WTO status 4 by FY06," will be assessed individually for the aggregate story that they tell. At the time that your 2007 resource request is due you will also be asked to supply '07 targets for these performance measures, on the grounds that these are the results you intend to achieve with the resources you are requesting.

All indicators reported in the Annual Report must have had a data quality assessment (DQA) done within the past three years, as described in ADS 203.3.5. This applies to both the Performance Measures table and any other indicators the mission uses to determine whether an SO is meeting targets. A DQA reports the degree of confidence that the Operating Unit has in the quality of data it is reporting; it does NOT imply that the Operating Unit is vouching for the accuracy and reliability of all data reported and it does not imply that the indicator is valid for measuring the performance of the SO. Please see ADS 203.3.4.2 and ADS 203.3.5.1 for the differences between characteristics of good performance indicators versus data quality standards. Operating Units, however, MUST be fully candid in disclosing all known limitations of the data they present in this Annual Report. If no DQA has been done on a particular indicator, then Operating Units must not report it, and must not use it to determine whether targets have been met. For Global HIV/AIDS Initiative Focus

Countries, until further notice, the only indicators on which you must have DQAs are those in the Performance Measures table that overlap with the indicators being collected by S/OGAC. Since focus countries will not be reporting data to S/OGAC on condom sales or the number of individuals reached by home-based care, they are not required to have DQAs on these indicators.

To the extent possible, Operating Units should report only Fiscal Year 2004 data. If the data you report is for a calendar year or other period, this MUST be noted. For health data obtained via a DHS or other comparable surveys, report only those data that were first available (either preliminary or final) during FY 2004. Some indicators specify that they should be stated as “cumulative” rather than “annually.” For an indicator like “hectares protected,” in one country we may protect 100,000 hectares, but that figure doesn’t change over several years. Thus the annual figure would look like zero, so the cumulative figure is more appropriate to use. Similarly, “Number of firms using Internationally Accepted Accounting principles as a result of USAID assistance (cumulative) in FY04.” We hope that the firms that used IAA in FY03 will continue to use it in FY04, and that we will add more firms in FY 05 and FY06, but expressing the cumulative figure means more than the annual addition.

All performance information provided in this section of the Annual Report must be plausibly attributable to USAID assistance. See ADS 203 for a discussion of issues concerning attribution. In brief, even if the contribution of other actors to a given result was greater than that of USAID, but still the result would not have occurred without USAID's efforts, it is legitimate to assert that this result is "plausibly attributable" to USAID assistance. In these situations, the narrative should briefly state USAID’s contributions, e.g., “in a multi-donor effort supporting primary education to 40,000 children, USAID assisted by designing a gender-sensitive, knowledge-based curriculum.”

To the extent possible, field missions should report data reflecting direct USAID assistance (e.g., number of hectares under approved management plans in districts receiving USAID assistance). Some data, by its nature, will be at the national level, such as when missions use Demographic and Health Survey (DHS) or other national survey data. Whenever necessary, missions should specify in the Data Quality column of the Performance Measures table the level (national or sub-national) at which they are reporting.

### **Guidance Annex VIII:** *Workforce Sub-table on Cost Accounting*

Last year we expanded the level of detail requested in the area of workforce and program support planning. The information collected has allowed us to, among other things, (1) plan our Agency’s workforce needs, (2) develop data tables to assist in our long-range cost-to-program planning, (3) respond to the five areas of the President’s Management Agenda, (4) estimate the amount of program funding that is used for administrative purposes, (5) justify requests for additional OE resources to support supplemental and other unforeseen program funding, and (6) respond more quickly to the requests of the State Department’s MPP.

*Data Entry Changes:* As the after-action review made clear, this table imposed quite a data entry burden. We have made changes that should make completing it easier this year. As a starting point, the table will be populated with last year’s entries, so it will only be necessary to modify the table where plans have changed. Several commented that in cases where there were many positions of a

particular backstop, it was difficult to differentiate positions as they were entered. To simplify this, we have added way to record a “Position Name” to aid in identifying each position. Note that AID Washington will not make any use of the information recorded here; it is simply provided as a way to make data entry easier. Realizing that operating units may choose to identify their positions differently, the naming scheme used is left up to you. However, privacy concerns dictate that you *do not use a position name that may reveal the identity of the person currently holding a position*. Names, social security numbers, and the like should not be used. Again, the use of this identifier is voluntary and you may choose to use it for some backstops and not others. Finally, as an additional way to review the table, it includes totals by backstop for each year, as well as grand totals.

*Entering a Position:* For each position in your operating unit, press the “Add” button next to the position's backstop, then select a funding and employment type. For USDH positions you will be prompted for service and grade, otherwise you will enter the cost of the position as described below. If the position was filled on September 30, 2004, check the appropriate box – these positions should correspond to those reported in the September 30, 2004 staffing pattern. For 2005–2008, check those years where you anticipate having a staffing requirement. The information in the out-year tables will clearly be estimates for budget planning purposes ONLY. Nonetheless, your compliance on this is critical to the Agency.

*Assigning Staff to Strategic Objectives:* To respond to the Presidential Management Agenda and requirements from OMB, the Agency is working towards measuring activity-based costing and this section of our data collection contributes to that goal. Toward that end, for the past two years we have asked that sector management staff be assigned to the strategic objectives toward which they work. This year the requirement has been extended to all staff. Existing sector management assignments have been retained, but the remaining positions which have not been assigned to SOs are shown in red. These positions can be assigned to SOs in the same manner as sector management positions. Alternately, you can set up “Standard SO Assignments” using the button on the top left. Here you can specify, for example, that one SO occupies 40% of the remaining position's time, while three others occupy 20% each. This breakout is then applied across all positions that have the “Use standard SOs” checked – and this is checked by default. Any changes made to the standard SOs later will be reflected by all positions that use them. The standard SO assignments cannot be used for sector management positions.

Some positions require work involving SOs associated with more than one operating unit. In these cases, check the box on the bottom of the screen and enter the operating unit, SO number and name, and fraction of time spent on each SO, being careful that the sum of the assignments equals 100%.

*DCHA funded staff:* A number of positions are based in overseas missions but are funded by DCHA. Enter these positions as you would the others, but check the “DCHA Overseas” box.

*OE-funded Non-USDH Staff Costs:* Enter the costs of the salaries and benefits of OE-funded staff only – do not enter the loaded costs..

*ICASS Working Capital Funded (WCF) Staff Costs:* Enter the cost of the salaries and benefits of staff funded through the ICASS WCF only – do not include any support costs in this figure.

*Program funded USDH:* Enter the service and grade as you would for OE funded USDH. In addition, enter all program funded administrative costs associated with the position. Note that this number should include support costs *only*, and exclude salary and benefits.

*Program-funded Staff Costs:* To determine the true cost of doing business, operating units must report all program-funded administrative costs. Please allocate all program-funded administrative costs (using annualized averages) to program-funded staff for FY 2006. Administrative costs include both contract and non-contract costs. Contract costs cover salaries and benefits and non-contract costs cover all staff support costs, including costs not directly attributable to individual personnel. See the list below for the types of costs to include as a program-funded administrative cost.

#### Contract Costs

- Salaries and benefits - basic pay, pay comparability, FICA/Medicare employer portion, bonuses (i.e, X-mas), special allowances, medical plan, overtime
- Other contract benefits – life insurance, health insurance, medevac insurance

#### Non-Contract Costs

- Non-contract benefits
  - Severance pay
  - Travel – site visits, R&R, home leave, training, conferences, assignment/repatriation
  - Training and conference fees
  - Per-diem
  - Transportation - HHE, UAB, POV (arrival/departure)
  - Office equipment/furniture
  - Residential lease
  - Residential furniture
  - Residential maintenance and renovation
  - Post differential
  - Separate maintenance allowance
  - Education allowance
  - Cost-of-living adjustment
  - Security guard services (if not included in ICASS)
  - Utilities (water, gas, electricity)
  - Advertisement (for position vacancy)
  - Miscellaneous (i.e, physical exams, unused annual leave, funeral benefits, awards)
- Support costs allocated to staff
  - Office rent
  - ICASS
  - Telephone

- Electricity
  - Office/information technology supplies
  - Vehicle fuel and maintenance
  - Xerox maintenance contracts
  - Credit card administration
  - Janitorial services
  - Other costs
- Support costs not allocated to staff
  - Vehicles
  - Warehouse space
  - Other costs

### **Guidance Annex IX:** *Application Basics*

**Spell checking:** Right click your mouse on any text field box in the narrative section of the application to perform spell checking.

**SO Title change:** To change a SO title, go to the “Tools” menu on the opening screen and select “Change Strategic Objective Name.”

**Expand text box:** To expand the size of any text field box in the narrative section, double-click inside the box. This will also give you access to editing features such as copy and paste, spell checking, and file saving.

**Page Count:** To assist you in keeping to the page limits for each section, a button on every screen has been provided that keeps a running tally of the number of pages in the section being displayed. As you add information to the section, click on the “Update Page Count” button to get an updated count of the total number of pages. If you exceed the page limit for the section, you will receive a message stating that the page limit has been exceeded; please go back and edit your information. The two-page limit on the CBJ Datasheets and Country Overview are imposed in order to limit the size of the Budget Justification to be sent to Congress.

**Context-sensitive Help:** Help is always available from within the application. You can select the “F1” button from your keyboard to bring up help; or you can select “Help” from the main toolbar at the top of the application; or you can “Right click your mouse button” within any section of the application to access context-sensitive help. Each section or table of the application, such as the U.S. Financing Table, CBJ Datasheet, etc. will have help applicable to that section only. You can also obtain a full copy of the Annual Report Guidance, the Freedomi models, and notes on new releases of the application if necessary.

**Footnotes:** The US Financing table includes the option of adding one or more footnotes describing an SO's special circumstances. These footnotes will appear in the US Financing documents produced in Washington for the CBJ. Any supplemental appropriations entered in the SO

Appropriations table will also appear on CBJ documents - both in the Program Summary and US Financing tables.

**Printing:** Reports generated from the narrative annual report sections will print all required sections regardless of whether they have been completed. Optional sections will only be printed if they have been filled out. This should assist users in determining whether they have completed all required sections of the annual report.

**Results Framework Table:** This year the application will once again be prepopulated with last year's results frameworks if they were included with your AR submission last year.

Please refer to the Annual Report Application Guide for further details on the application. A copy of this guide will be emailed to the program and budget contact person in each Operating Unit and will also be available from the Annual Report website.

#### **Guidance Annex X:** *Global HIV/AIDS Initiative Focus Countries*

Congress has asked for annual reporting from State/Office of the Global AIDs Coordinator (OGAC) on USG progress under the Emergency Plan, with the expectation that results from all USG bilateral program resources, regardless of originating account (Global HIV/AIDS Initiative, USAID's Child Survival and Health, State Dept. accounts and HHS's Global AIDS Program), would be incorporated. OGAC has asked focus countries to submit their FY 2004 accomplishments using standard indicators (SI) on December 3. For all other bilateral program reporting purposes, OGAC will ask implementing partner agency headquarters to mine current systems – such as this Annual Report -- for the necessary information on results achieved in FY 2004. USAID/W heard your cries for relief at the workshop in South Africa during June 6-8, 2004, for the 14 focus countries in the President's Emergency Plan on HIV/AIDS. To the extent possible, we have reduced the reporting burden to focus countries. If you are a Global HIV/AIDS Initiative focus country, please follow the guidance below. Further guidance concerning FY 2005 reporting will be forthcoming. If you are NOT a focus country, please continue to follow the standard guidance of this Annual Report.

CBJ Data Sheet: S/OGAC will be justifying the HIV/AIDs request and notifying the Hill of our intent to obligate funds. Thus no datasheet is required in our CBJ for stand-alone HIV/AIDs SOs. For "wrap-around" SOs in focus countries – SOs that include other health issues, education, economic growth, etc. along with an HIV/AIDs component – please continue to submit a datasheet for your SO describing the activities, but for the HIV/AIDs component, please list the component and state: "See the State Department Congressional Budget Justification, Global HIV/AIDS Initiative section, for a discussion of this program." Recognize that this sheet does not constitute notification for your HIV/AIDs activities within the SO.

Two-to-Four-Page Program Performance Summary: When addressing the HIV/AIDs portion of your program, please state: "See the State Department Office of the Global AIDS Coordinator report for a discussion of this program, <http://www.state.gov/s/gac/>."

Resource Request Narrative: Please follow the guidance in section I.A.4.

Performance Measures: Global HIV/AIDS initiative focus countries (except Vietnam) are NOT, repeat NOT, required to report on the HIV/AIDS indicators in this table. You will be providing your indicator data through the Global HIV/AIDS initiative FY 2004 Annual Progress Report. Please send a copy of the indicator data you will provide as input for the country-level reporting on the Global HIV/AIDS initiative Annual Progress Report to John Novak (GH/OHA). Though Data Quality Assessments (DQA) are not required for the indicators submitted to the AIDS coordinator, Focus Countries must conduct DQAs on the indicators being collected for S/OGAC that *overlap* with the indicators in the USAID AR Performance Measures Table. That includes all HIV/AIDS indicators listed in the PM table, except the two on condom sales and one on home-based care (which are not part of the coordinator's list of standard indicators).

SO Profile Table: Please include your HIV/AIDS SO in this table so that the SO can be properly certified.

Strategic Objective '04 performance: Beginning in 2005, all information (narratives and indicators) for Global HIV/AIDS initiative countries will be collected as part of the Country Operational Plan. For FY 2004, however, we need your specific reporting on the results you achieved in 2004 on your HIV/AIDS SOs and "wrap-around" SOs (those with cross-sectoral approaches, e.g. other health, education, economic, etc.), why targets were or were not met, and how you have managed for results. To the extent possible, however, draw from existing reporting. For "wrap-around" SOs in HIV/AIDS Initiative Focus Countries, report indicators for the non-HIV/AIDS portion and USAID/W will take responsibility for getting the HIV/AIDS indicators from S/OGAC for your program for our evaluation. Guidance Annex VI on indicators above provides additional guidance for this section.

Coding: There will be only one code in the USAID AR for both focus and non-focus countries, but focus countries will have to do detailed coding for S/OGAC.

All other resource table requirements stand as written in this guidance and must be followed by focus countries.

#### **Guidance Annex XI: *Public-Private Alliances***

All Agency Operating Units are requested to submit reporting on public-private alliances as a means of documenting: (i) the extent to which Public-Private Alliances are being used in on-going Agency programs, (ii) the range of alliance partners and partner types currently participating in Agency-funded alliances; and (iii) the nature and amount of partner contributions which are being leveraged in support of USAID program objectives. Such data are routinely requested by various external audiences and are also needed for internal assessment of the Agency's progress in mainstreaming the GDA business model.

For the FY 2004 Annual Report all USAID Operating Units are required to fill out the Global Development Alliance Template found in the Annual Report home page for each alliance that it

manages in which funding was obligated in FY 2004. Templates have been pre-populated with data from FY 2002, FY 2003 and FY 2004 for which the GDA Secretariat had information.

*What are the criteria that determine whether an activity is a Global Development Alliance and should be reported as such?*

To be reported as a Global Development Alliance, an activity must meet the following threshold criteria:

- a. It must be a public-private alliance in which the total of USAID resources (from all sources) committed over the life of the alliance activity is leveraging at least an equal or greater amount of total partner resources; and
- b. Beginning in FY03, this partner contribution must include private funds (see definition below) at least equal to 25% of the value of the expected USAID resources.

In addition to these leveraging criteria, GDA alliances should also exhibit the following characteristics:

- a. Joint planning and problem definition;
- b. Shared risks and responsibilities;
- c. Ideally, though not necessarily, new partners and/or innovative approaches.

*What resources get counted toward partner contributions in calculating the leverage ratio of an alliance?*

The resource contributions expected from GDA partners may include both public and private funds, and may be provided in cash or in-kind contributions. Public resources contributed to an alliance may come from other USG agencies, state and local governments or governmental agencies, bilateral and multilateral institutions, and foreign governments or governmental agencies. Private resources would include contributions from private companies, foundations, universities, NGOs (if raised from non-public sources), private individuals, and any other non-public source.

***Instructions included below define the information requested for each field in the GDA reporting template:***

**Alliance Name:** Official name of the public-private alliance.

**Sector:** Primary Sector for the alliance activities.

**Start year:** Fiscal Year the alliance began.

**Expected Duration (Years):** Expected number of years the alliance will be funded by USAID.

**Countries in Alliance:** Countries where the alliance has had or will have activities. If the alliance is global in nature, please include the regions where it has activities.

**USAID Alliance Manager Contact Name:** Identify the USAID employee who manages the alliance.

**Add Partner:** Click the Add Partner tab to open another window to fill out the name of the alliance partner and select the type of organization of the alliance partner.



**Alliance Objective and Results Achieved:** Summarize the alliance objective and report any results achieved to date under the alliance from its inception or start year. For alliances that have been in existence for multiple years, it is requested that 2004 results be separated from prior year results.

**Obligations for All USAID Operating Units:** Enter FY 2004 *real dollar* amounts for all USAID Operating Units contributing to the alliance. Please note that real dollar amounts should be entered, the table is not in 000's. If there are FY 2002 and FY 2003 obligations for this alliance it should be pre-populated by the GDA Secretariat and these numbers will be grey in color and *will not* be able to be changed. If you do want to update FY 2002 and FY 2003 obligation amounts please e-mail the information and the request to Todd Lofgren, [tolofgren@usaid.gov](mailto:tolofgren@usaid.gov).

**Partner contributions:** Enter total partner contributions for cash and in-kind which were contributed to the alliance in FY 2004, *report cash and in-kind separately*. If these contributions were reported in FY 2002 or FY 2003 please do not report the contribution in FY 2004.

**Projected Funding for the Life of the Alliance (Including Future Years):** Enter the sum total obligations for FY 2002, 2003 and 2004 plus the estimated future year(s) contributions from USAID. Also, enter the sum total for FY 2002, 2003 and 2004 plus the estimated future year(s) partner *cash and in-kind* contributions.

If you have questions or would like to provide additional information on an alliance please send it to Todd Lofgren in the GDA Secretariat, [tolofgren@usaid.gov](mailto:tolofgren@usaid.gov)